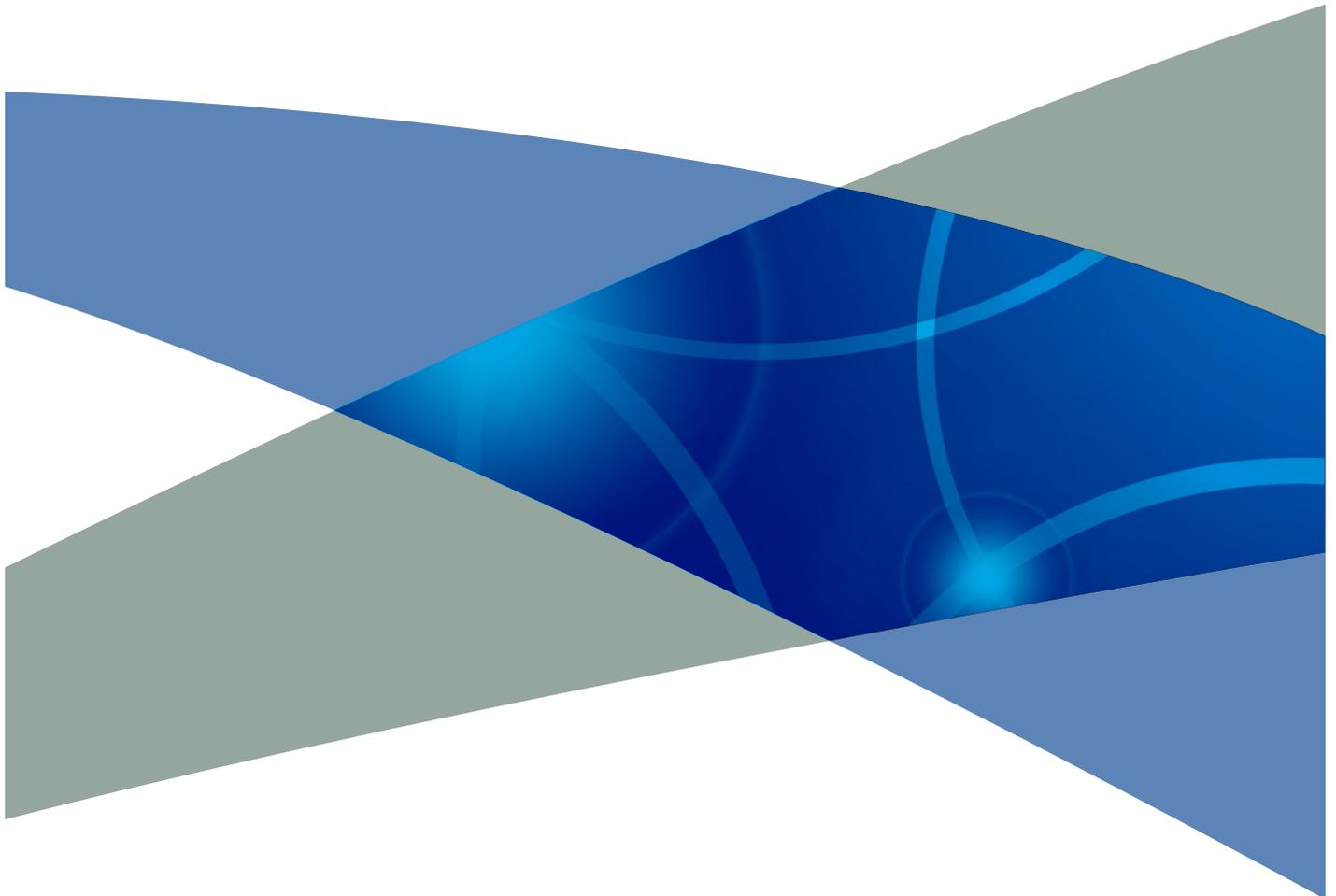




Intellectual
Property
Office

Response Document: Rules governing appeals to the Appointed Person against design decisions of the Intellectual Property Office





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Foreword



As the Minister for Intellectual Property (IP), I am very much aware of the importance of IP to business, especially in the highly valued design field. It is particularly pleasing to see the ongoing work in streamlining and modernising an area of the law which has sometimes been overshadowed, but which nevertheless provides important support to our creative sectors.

This response to the recent consultation on one of the appeal routes for design decisions represents another step in introducing important changes to the law arising from the Intellectual Property Act 2014. It means that those availing themselves of design protection are able to make a choice about how they appeal against decisions, made by the Intellectual Property Office, about their designs.

Designers and designs intensive SMEs, in particular, are likely to benefit from the quicker, cheaper final decision offered by the Appointed Person, whilst others may seek the greater flexibility offered by the High Court. Coming from a business background, I am aware how important it is to business to have options which are appropriate to their circumstances. I therefore welcome this further step in improving design law.

Lucy Neville-Rolfe

Baroness Neville-Rolfe, DBE, CMG

1. Executive Summary

- 1.1 This document sets out the Government's response to the recent consultation, which considered the secondary legislation needed to fully enact changes to design law introduced under section 10 of the Intellectual Property Act 2014. Section 10 introduces a new route of appeal against decisions of the Intellectual Property Office (IPO) in relation to designs, giving users a choice between the High Court, which allows for further appeals, and the 'Appointed Person' for a quicker, cheaper, final decision. The consultation dealt specifically with the detailed processes to be used for appealing to the Appointed Person, together with the associated forms.
- 1.2 We received two responses to the consultation, from a business and a professional representative body.

Next steps

- 1.3 In light of the consultation, the Government now proposes to introduce secondary legislation, based on the rules and forms in the original consultation, with some amendments that largely reflect respondents' comments.

2. Background

- 2.1 Following on from the Hargreaves Review of Intellectual Property and Growth¹, and a subsequent consultation^{2&3}, the Intellectual Property Act 2014 introduced various amendments to designs law. These included changes to the route of appeal from decisions of the Intellectual Property Office (IPO) in relation to both unregistered and registered designs. These changes enable business and individual users to choose which of two different routes of appeal best meets their needs.
- An appeal to the Appointed Person (AP)⁴ is usually cheaper, with a quicker final decision, than the courts, because there are no further opportunities to appeal against the AP's decision: it is final. As this route is more informal, users are likely to be more comfortable representing themselves, rather than using legal advisors.
 - An appeal to the High Court, however, although likely to be more expensive and potentially take longer, allows for further appeals (to the Court of Appeal and ultimately to the Supreme Court). This might be used where a case is thought sufficiently important or complex to require the potential to challenge the court decisions further.
- 2.2 In order for the changes to be fully effective⁵, it is necessary to introduce secondary legislation setting out how the process will work in relation to the AP⁶.
- 2.3 A consultation⁷ on the legislation and the associated forms was launched on 19 November 2014 and closed on 7 January 2015. 2 responses were received from Dyson Technology Limited and the Institute of Trade Mark Attorneys.
- 2.4 This document summarises the responses to the proposed rules and forms, and details our conclusions and next steps. We have taken all individual points into account when reaching our conclusions.

1 <https://www.gov.uk/government/publications/digital-opportunity-review-of-intellectual-property-and-growth>

2 <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/pro-policy/consult/consult-closed/consult-closed-2012/consult-2012-designs.htm>

3 <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/response-2012-designs.pdf> - see page 26.

4 Someone with the necessary knowledge of, and experience in applying, intellectual property law, specifically appointed after open competition by the Lord Chancellor, and independent of the IPO. Section 10(2) of the IP Act was commenced to the extent necessary to enable recruitment of an Appointed Person <http://www.legislation.gov.uk/uksi/2014/1715/contents/made>

6 No such consideration is required in relation to the courts: rules governing court procedures are set out elsewhere such as in the Civil Procedure Rules: <https://www.justice.gov.uk/courts/procedure-rules/civil>

7 <https://www.gov.uk/government/consultations/rules-governing-appeals-relating-to-design-decisions-of-the-ipo>

3. Responses

The pre-appeal process – requesting a formal written decision from the IPO

New form

- 3.1 The consultation included a draft form, the DF5, which an appellant would file with the IPO to request a formal written decision, in cases where one has not already been provided. A formal written decision is the precursor to any appeal for registered designs and sets out the legal basis for the IPO's decision and any relevant case law.
- 3.2 **Question 1 asked for any comments on the form DF5.**
- 3.3 It was suggested that linking the time period for filing the form to the action of 'sending' notification of the IPO's decision could be confusing and unclear: it would not be immediately obvious when the decision was actually sent. It was instead suggested that the time period be linked directly to the date of the decision, by using wording such as 'the date of the decision' or 'the date specified on the decision'.
- 3.4 We agree that the wording on the form should reflect this point, and, as a further point, should clarify when the time period starts in a manner which is consistent with the rules.

No fee

- 3.5 The consultation proposed that, in line with current practice, there would be no fee for filing this form and requesting the formal written statement.
- 3.6 **Question 2 asked:** *If the IPO were to review this decision at a later stage, are there any circumstances in which you would consider it appropriate to charge a fee? What level of fee do you think would be appropriate?*
- 3.7 The respondents both agreed that it would be sensible to introduce fees if it became clear that the lack of a fee was encouraging vexatious or frivolous requests for written decisions.
- 3.8 If a fee was to be introduced, suggestions were made that it should be commensurate with that for trade marks (currently £100), or that it should be of such a level as to deter vexatious behaviour.
- 3.9 These suggestions provide us with useful guidance in the case of any future introduction of fees.

The appeal process – the trade mark appeal route to the AP as a template

- 3.10 The consultation broadly outlined the existing process for appealing to the AP in relation to trade mark decisions of the IPO⁸, and suggested that the same approach (with the exception of fees) was taken in relation to appeals against all of the design matters for which the IPO has responsibility. These matters are: design applications at examination stage; registered designs (Registered Designs Act 1949, sections 3A, 3B, 11, 11ZA-11ZE, 11A and 11AB); and unregistered designs (Copyright Designs and Patents Act 1988, sections 246, 247 and 248).
- 3.11 **Question 3 asked:** *Do you agree that using the trade mark appeal process as a template for all appeals against the IPO's decision relating to designs is appropriate? If not, please explain why not, and indicate which appeals your comments relate to.*
- 3.12 Both respondents agreed that the trade mark process would make a suitable template for appeals relating to designs, while the point was made that persons dealing with design appeals would not necessarily be the same as those dealing with trade marks.

New form

- 3.13 Broadly in line with the existing approach for trade marks, the consultation proposed introducing forms to request an appeal to the AP. The consultation included 2 draft forms: one, the DF55, relating to applications and registrations, and the other, the DRF 55 relating to unregistered designs.
- 3.14 **Question 4 asked for comments on forms DF55 and DRF55.**
- 3.15 In line with the comment made in relation to question 1 about form DF5, it was suggested that the time period for filing the form be linked directly to the date of the decision, rather than the date of the IPO 'sending' the decision. It was also suggested that some distinction should be made between the 'decision' referenced on these two forms and that which is referenced on form DF5, given the different nature of the respective 'decisions'. For example, the DF55 and DRF55 could use wording relating to the 'written statement of reasons for our decision'.
- 3.16 We agree, that in line with the DF5, it would be better to link the time period to the date of the decision, rather than to the date it was sent. We also agree that where possible, the wording on the forms should seek to distinguish between decisions. Thus, form DF55 (relating to registered designs) should use language consistent with form DF5, and form DRF55 (unregistered designs) should refer to 'decisions' consistent with the relevant legislation.

⁸ The Registered Designs Act 1949 provides that appeals can be made against decisions of the registrar and the Copyright, Designs and Patents Act 1988 refers to the comptroller-general. Use of the 'IPO' in this document is shorthand for these terms.

No fee

- 3.17 The consultation proposed that, in keeping with the minimal fee (£6) to appeal to the current appeal tribunal, the Registered Designs Appeal Tribunal, the IPO would not initially charge a fee to appeal to the AP, but would keep this under review.
- 3.18 **Question 5 asked:** *If the IPO were to review this decision at a later stage, are there any circumstances in which you would consider it appropriate to charge a fee? What level of fee do you think would be appropriate?*
- 3.19 As with the response to question 2, both respondents agreed that fees could be introduced to discourage vexatious or frivolous requests for appeals, if this became a problem.
- 3.20 Consistent with the answers to question 2, any fee could be commensurate with trade marks fees (currently no fee for ex parte cases, and £250 for inter partes cases), or set at a level to deter vexatious behaviour.
- 3.21 These suggestions provide useful guidance in the case of any future introduction of fees.

Details of the proposed design rules for the AP

- 3.22 The consultation included draft legislation governing the appeal process, which was based on the corresponding trade mark rules, and dealt with appeals relating to both registered and unregistered designs as a single set of rules.
- 3.23 **Question 6 asked:** *Please let us know if you have any comments on the drafting of the rules. If your comments suggest a substantive departure from the current TMRs, please explain your reasoning.*
- 3.24 One respondent made a general comment that the rules were generally clear and concise, but made several suggestions. These are considered below alongside the other comments received. The comments made reference to the following rules:
- 3.25 **Rule 4:** Two suggestions were made in relation to rule 4:
- (a) The point was made that the time periods given in rules 4 (to file a request for a formal written decision) and 9 (to request an appeal) are not consistent with each other, the former being a month, and the latter being 28 days. This inconsistency increases the potential for mistakes, particularly by those not used to the system, such as SMEs, especially given that the second time period is shorter and therefore more likely to be missed. It was suggested that these should be brought into line, although no indication was given as to which time period was preferred.
 - (b) A suggestion was made to clarify that it is the request that should be made on the published form, rather than the registrar's statement being made on the published form. The wording could read, for example: 'any party may.... make a request on a published form for the registrar to send a statement....'
- 3.26 In relation to suggestion (a) above, these two time periods are derived from the trade marks rules, and were originally based on the preference of professional representatives for round periods, such as a month, to be used. However, this preference was not applied to requests to appeal because the AP shares jurisdiction with the High Court, which allows 28 days for appeals. It was not thought helpful to specify different time periods for appeals depending on where the appeal was filed.
- 3.27 We believe these reasons also apply to designs. As we prefer to maintain consistency with the time period for trade marks, we do not propose to amend them. The respective forms and associated letters dealing with these actions make it clear which periods apply, so from our experience with trade marks, we believe this will minimise problems for users.
- 3.28 In relation to suggestion (b) above, we agree that the wording should be amended to clarify its meaning.
- 3.29 The forms should also be amended to reflect more closely the wording in the rules in relation to when the respective time periods for filing the forms start, namely immediately after the date of the relevant decision.

3.30 **Rule 7:** Two comments were made in relation to rule 7.

- (a) It was suggested that to be consistent with the wording used in rule 8, rule 7 should specify the particular form, rather than referring to 'a published form'.
- (b) It was noted that rule 7 refers to 'a registered design' whereas rule 8 refers to 'the design right'

3.31 In relation to comment (a) above, the wording in rule 7 was specifically chosen to give the maximum degree of flexibility in numbering and naming the designs forms, with an eye to the future development of e-filing. This also reflects the more streamlined processes, introduced under the Intellectual Property Act 2014, for amending registered design forms via 'directions', rather than via secondary legislation. We believe that to exploit this flexibility, the wording originally proposed should be retained. Given that the forms dealing with unregistered design right must be made under rules⁹, it is not appropriate to use this same approach in rule 8: the form itself must be specified.

3.32 In relation to comment (b) above, the different approaches are noted and the rules will be amended to reflect more fully the language used in the Copyright, Designs and Patents Act.

3.33 **Rule 9:** see discussion under rule 4, comment (a).

3.34 **Rule 13:** A suggestion was made that the words 'person appointed' should instead read 'appointed person'.

3.35 We agree that for consistency with other references in the rules this should be amended.

3.36 **Rules 18 and 19:** Concerns were raised that these rules were unclear and/or incomplete. It was felt that the Rules should deal more clearly with several issues:

- The circumstances under which the AP could refer matters to court: is it solely when matters of general legal importance are at issue, or does this extend to other situations?
- An express requirement that the AP make a decision, and, if appropriate, a reference to the court.
- The purpose of the right to make further representations in rule 19, which does not indicate what the consequences of doing so may be.

3.37 The current wording of the rules surrounding potential references of appeals to the court reflects that for trade mark appeals, which have operated without any apparent difficulty since 1994. Changing the rules so as to prescribe the circumstances in which an AP can refer a case to the court risks unintended consequences, and would fetter the discretion of the AP, who is in any case bound by the principles of public law. In addition, in relation to comment (c) above, as currently drafted rule 19 provides a protection so that a party has the opportunity to give a view as to whether the appeal should be referred to court, where the court's decision will be binding. We therefore do not believe it appropriate to amend the rules as suggested.

3.38 **Question 7 asked:** *Does using a single set of rules to cover appeals for both registered design and unregistered design right appeals have any negative consequences? If so, please explain your reasoning.*

3.39 Both respondents indicated that they could not foresee any negative consequences for one set of rules.

3.40 It is helpful to have confirmation from third parties which reflects our views.



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Published: February 2015

DPS968-02/15



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