

Unregistered Design Right and The Finnish Law

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I. Relation of the Registered Designs Act to copyright protection and to unfair competition

THE COMMUNITY Design Regulation (No. 6/2002) was implemented on 6 March 2002. It covers both registered designs and unregistered design rights (UDRs).

Registered designs in Finland have been protected by national legislation since 1971, when the Registered Designs Act entered into force. Already before 1971, however, the owner of an industrial design in certain cases enjoyed a limited protection through the Copyright Act and the Unfair Competition Act.¹

As a matter of fact, this limited protection before 1971 concerned only UDRs. After the Registered Designs Act entered into force, the protection based on the Copyright Act and on unfair competition has been only of a minor importance. The principal function of a design right is to protect such creations of craftsmanship and industrial designing, for which copyright protection with its long period of protection is not straightaway motivated.²

The Finnish Supreme Court has, e.g., protected by copyright a rug carpet (1971) and a bracelet (1962) but denied copyright protection for a group of a sofa and armchairs (1975); also a denial of copyright for a series of hotel lamps by the Helsinki Court of Appeals (1983) can be mentioned.³

Generally speaking the requirements of individuality and originality have in these cases been set to a relatively high level, and from this it follows that copyright protection has been denied.

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1. See, N. Bruun, Finland in International encyclopaedia of laws (general ed. R. Blanpain). *Intellectual property – Suppl* at 135, 5 (1998).
2. See, B. Godenhielm, *Uppsatser i immaterialrätt*, Lund, at 167-169 (1983).
3. About the court practice and the terminology of the Nordic Copyright Acts, see, e.g., M. Castrén, “Industrial design protection in Finland taking in consideration the so-called double protection (copyright)” in *Zeszyty naukowe uniwersytetu jagiellonskiego CMLXXXIV Krakow 1990, Prace z wynalazczosci i ochrony wlasnosci intelektualnej* z. 56, at 44.

As far as the protection of an industrial design by the Unfair Competition Act is concerned, the Finnish Supreme Court protected in 1972 an unregistered design of a fibreglass boat in a case in which this boat and another boat construed by imitators could easily be confused with each other. Generally speaking, such kind of protection is, however, exceptional and has importance only in specific circumstances.

II. Protection requirements for industrial designs in Finnish national law and in the Community Design Regulation

The harmonization of the Registered Design Act with the Community Design Regulation entered into force on 1 August 2002. Previously it stood in the Registered Designs Act that a design might only be registered if it substantially differed from what was known before the date of registration.⁴ After the said harmonization, both in the Act and in the Regulation, it is stated that a design shall be protected if it is new and has individual character. These requirements in the Regulation apply both for registered and unregistered designs. From the legislative works of the harmonization in Finland, it can be understood that today, as before the harmonization, the design in question shall differ from what was known before the date of registration. Today, however, the difference need not be substantial, and the individual character of the design is assessed by a fictitious informed user.⁵

In the preamble of the Regulation (point 21), it is told that the exclusive nature of the right conferred by the registered Community design is consistent with its greater legal certainty. The legal certainty can be understood to stress the hope among the legislators that a declaration of invalidity of a registered Community design would not happen often. The future will show if that hope will turn out to be a reality. Besides, this expression of a hope does not apply to unregistered designs, as will be explained later.

In the preamble of the Regulation (point 14), it is stated that the assessment as to whether a design which may be eligible for protection by registration or as an unregistered design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design. In Finland, such kind of overall impression, taking into consideration the particular industrial sector, has already for decades been the leading principle in the assessment of the

4. See, *Bruun*, *supra* note 1, at 137.

5. See, *the Government Bill no. 6/2002*, at 14.

requirements for protection of industrial designs. In practice this principle has led to easiness to register a design, the registration of which, however, has too often been declared invalid by a court.

III. Uncertainties to protect in particular unregistered designs

In Finland doubts have been raised about if the protection of unregistered designs in the Community Design Regulation is of any practical use at all. Since the implementation on 6 March 2002, the Regulation is, however, binding in its entirety and directly applicable in all Member States.

The said doubts have several grounds. It has been asserted that the afore-mentioned limited protection of unregistered (as well as registered) designs by copyright and unfair competition renders a special protection of industrial designs by the Regulation superfluous. As has been told before, copyright is, however, of minor importance as far as industrial designs are concerned, because the requirements of individuality and originality are so high. Also, the protection based on the Unfair Competition Act (nowadays the Unfair Trade Practices Act of 1978) is somewhat exceptional and comes to use in specific cases.

Another, and probably more severe objection against the UDR protection is based on the vague and ephemeral nature of this newly welcomed exclusive right. A design which meets the requirements of protection under Article 1 of the Regulation shall be protected by an unregistered Community design for a period of three years as from the date on which the design was first made available to the public within the Community (Article 11(1)). The aim is to give some protection to designs with a short lifespan, such as fashion designs.⁶ The question can, however, be raised, if an exclusive right which lasts for only three years has any practical value. If an asserted infringement of this exclusive right has taken place, maybe the whole period of three years will elapse in court proceedings between the right holder and the asserted infringer. At least that time and probably more will be needed until the final decision of the Supreme Court has been awarded. According to Article 90 of the Regulation, the right-holder may apply to the courts of a Member State for provisional measures, including a temporary order prohibiting the defendant from infringing an unregistered design already during the proceedings in the court of first instance, if such possibility is available under the law of that State in respect of national design rights. This possibility to apply for such a temporary prohibition is, however, not available under the Finnish Registered Designs Act.

6. See, J. Flynn, "Unregistered Design Rights: the UK Experience", 4 *IPR info* 22 (2002).

Of course, there is a possibility to file an application for a registered Community design or for a national (Finnish) design right under the first year of the term of protection of the unregistered Community design, during the 12-month “grace” period which starts when the design has been made available to the public (Article 7(2b) of the Regulation). However, many UDRs, which typically are fashion designs and other kinds of designs with a short lifespan, are owned by minor enterprises. For such enterprises, the possibility to apply for a longer time protection, with a possibility to renew the term of protection for one or more periods of five years each, up to a total term of 25 years from the date of filing (Article 12 of the Regulation and 24(1) of the Registered Designs Act) may often be only of minor interest, compared with which the application and renewal fees may be felt to be too high.

The system of enforcement of UDRs is much in line with the copyright system. Firstly, an unregistered Community design confers on its holder the right to prevent a third party not having his consent from using it *only*, if the contested use results from copying the protected design (Article 19(2) of the Regulation). Thus, an infringement only occurs by copying and involves using a product, which incorporates or has applied to it the design or a design which does not create a “*different overall impression to the informed user*” (Article 10(1) and Article 19 of the Regulation).⁷ In assessing whether a design creates a “different overall impression” to the informed user, the degree of freedom of the designer in developing his design shall be taken into consideration (Article 10(2) of the Regulation).⁸ The result of the assessment, which is in principle always personal,⁹ is difficult to anticipate and the assessment leads in practice to a narrow scope of the protection of the industrial design of question, irrespective of whether it is registered or unregistered.¹⁰ It is much possible that the new criterion “individual character of the design” will not bring about any essential change in this respect, compared with the time when a design in order to get protection according to the Registered Designs Act had to “differ substantially” from what was known before the date of registration. In the doctrine it has been

7. In copyright disputes the impression to an expert e.g. in literature may be decisive, whereas an informed user meant in Art. 10(1) of the Community Design Regulation need not necessarily be an expert.

8. See, J. Flynn, *supra* note 6, at 23.

9. Deciding court judges have their own personal impressions, and these impressions do not necessarily follow the impression to a fictitious informed user.

10. The degree of freedom of the designer is in some branches so limited that it has a limiting effect to the scope of protection of a design. Correspondingly, it may be relatively easy for other designs with partly common features with the aforementioned design to be registered or to get protection as UDRs. See, e.g., Castrén, *supra* note 3, at 45, Castrén, Yritysoikeus, *Law of enterprises*, (ed. in chief Kirsti Rissanen), 677 (Juva 1999).

expressed a view that the said new criterion rather on the contrary will lower the conditions of protection as far as designs in general are concerned,¹¹ and thereof will automatically follow a corresponding limitation in respect to the scope of protection of the design in question and a not remote possibility that the registration of the design will be declared invalid or that design rights will be denied in respect to unregistered designs. On the other hand, according to the appropriate Government Bill, the new criterion of individual character should, according to the Directive 98/71/EC on the legal protection of designs to be used to raise the said conditions of protection for industrial designs.¹² All these uncertainties combined with a risk of huge legal expenses for litigations etc. will probably make it less attractive for smaller enterprises to make use of possible UDRs with their short term of protection of three years.

I would guess that in Finland, like in other Member States of the Community in general, UDRs will get a minimal role in comparison with design rights registered under Community or national law. I hope that I will be wrong and that UDRs will get more importance.

11. See, P.L. Haarmann, *Immateriaalioikeuden oppikirja* (Textbook in Intellectual Property Law), 169 (III Ed., Jyväskylä, 2001), who refers to the fact that one intention of the Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs is to protect industrial designs created in the textile industry.

12. See, *the Government Bill no. 6/2002*, at p. 10.