



# Copyright, Designs and Patents Act 1988

## 1988 CHAPTER 48

### PART III

#### DESIGN RIGHT

#### CHAPTER I

##### DESIGN RIGHT IN ORIGINAL DESIGNS

##### *Introductory*

### 213 Design right

- (1) Design right is a property right which subsists in accordance with this Part in an original design.
- (2) In this Part “design” means the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article.
- (3) Design right does not subsist in—
  - (a) a method or principle of construction,
  - (b) features of shape or configuration of an article which—
    - (i) enable the article to be connected to, or placed in, around or against, another article so that either article may perform its function, or
    - (ii) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part, or
  - (c) surface decoration.
- (4) A design is not “original” for the purposes of this Part if it is commonplace in the design field in question at the time of its creation.
- (5) Design right subsists in a design only if the design qualifies for design right protection by reference to—

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- (a) the designer or the person by whom the design was commissioned or the designer employed (see sections 218 and 219), or
  - (b) the person by whom and country in which articles made to the design were first marketed (see section 220),
- or in accordance with any Order under section 221 (power to make further provision with respect to qualification).
- (6) Design right does not subsist unless and until the design has been recorded in a design document or an article has been made to the design.
  - (7) Design right does not subsist in a design which was so recorded, or to which an article was made, before the commencement of this Part.

#### **214 The designer**

- (1) In this Part the “designer”, in relation to a design, means the person who creates it.
- (2) In the case of a computer-generated design the person by whom the arrangements necessary for the creation of the design are undertaken shall be taken to be the designer.

#### **215 Ownership of design right**

- (1) The designer is the first owner of any design right in a design which is not created in pursuance of a commission or in the course of employment.
- (2) Where a design is created in pursuance of a commission, the person commissioning the design is the first owner of any design right in it.
- (3) Where, in a case not falling within subsection (2) a design is created by an employee in the course of his employment, his employer is the first owner of any design right in the design.
- (4) If a design qualifies for design right protection by virtue of section 220 (qualification by reference to first marketing of articles made to the design), the above rules do not apply and the person by whom the articles in question are marketed is the first owner of the design right.

#### **216 Duration of design right**

- (1) Design right expires—
  - (a) fifteen years from the end of the calendar year in which the design was first recorded in a design document or an article was first made to the design, whichever first occurred, or
  - (b) if articles made to the design are made available for sale or hire within five years from the end of that calendar year, ten years from the end of the calendar year in which that first occurred.
- (2) The reference in subsection (1) to articles being made available for sale or hire is to their being made so available anywhere in the world by or with the licence of the design right owner.

### *Qualification for design right protection*

#### **217 Qualifying individuals and qualifying persons**

- (1) In this Part—
  - “qualifying individual” means a citizen or subject of, or an individual habitually resident in, a qualifying country; and
  - “qualifying person” means a qualifying individual or a body corporate or other body having legal personality which—
    - (a) is formed under the law of a part of the United Kingdom or another qualifying country, and
    - (b) has in any qualifying country a place of business at which substantial business activity is carried on.
- (2) References in this Part to a qualifying person include the Crown and the government of any other qualifying country.
- (3) In this section “qualifying country” means—
  - (a) the United Kingdom,
  - (b) a country to which this Part extends by virtue of an Order under section 255,
  - (c) another member State of the European Economic Community, or
  - (d) to the extent that an Order under section 256 so provides, a country designated under that section as enjoying reciprocal protection.
- (4) The reference in the definition of “qualifying individual” to a person’s being a citizen or subject of a qualifying country shall be construed—
  - (a) in relation to the United Kingdom, as a reference to his being a British citizen, and
  - (b) in relation to a colony of the United Kingdom, as a reference to his being a British Dependent Territories’ citizen by connection with that colony.
- (5) In determining for the purpose of the definition of “qualifying person” whether substantial business activity is carried on at a place of business in any country, no account shall be taken of dealings in goods which are at all material times outside that country.

#### **218 Qualification by reference to designer**

- (1) This section applies to a design which is not created in pursuance of a commission or in the course of employment.
- (2) A design to which this section applies qualifies for design right protection if the designer is a qualifying individual or, in the case of a computer-generated design, a qualifying person.
- (3) A joint design to which this section applies qualifies for design right protection if any of the designers is a qualifying individual or, as the case may be, a qualifying person.
- (4) Where a joint design qualifies for design right protection under this section, only those designers who are qualifying individuals or qualifying persons are entitled to design right under section 215(1) (first ownership of design right: entitlement of designer).

**219 Qualification by reference to commissioner or employer**

- (1) A design qualifies for design right protection if it is created in pursuance of a commission from, or in the course of employment with, a qualifying person.
- (2) In the case of a joint commission or joint employment a design qualifies for design right protection if any of the commissioners or employers is a qualifying person.
- (3) Where a design which is jointly commissioned or created in the course of joint employment qualifies for design right protection under this section, only those commissioners or employers who are qualifying persons are entitled to design right under section 215(2) or (3) (first ownership of design right: entitlement of commissioner or employer).

**220 Qualification by reference to first marketing**

- (1) A design which does not qualify for design right protection under section 218 or 219 (qualification by reference to designer, commissioner or employer) qualifies for design right protection if the first marketing of articles made to the design—
  - (a) is by a qualifying person who is exclusively authorised to put such articles on the market in the United Kingdom, and
  - (b) takes place in the United Kingdom, another country to which this Part extends by virtue of an Order under section 255, or another member State of the European Economic Community.
- (2) If the first marketing of articles made to the design is done jointly by two or more persons, the design qualifies for design right protection if any of those persons meets the requirements specified in subsection (1)(a).
- (3) In such a case only the persons who meet those requirements are entitled to design right under section 215(4) (first ownership of design right: entitlement of first marketer of articles made to the design).
- (4) In subsection (1)(a) “exclusively authorised” refers—
  - (a) to authorisation by the person who would have been first owner of design right as designer, commissioner of the design or employer of the designer if he had been a qualifying person, or by a person lawfully claiming under such a person, and
  - (b) to exclusivity capable of being enforced by legal proceedings in the United Kingdom.

**221 Power to make further provision as to qualification**

- (1) Her Majesty may, with a view to fulfilling an international obligation of the United Kingdom, by Order in Council provide that a design qualifies for design right protection if such requirements as are specified in the Order are met.
- (2) An Order may make different provision for different descriptions of design or article; and may make such consequential modifications of the operation of sections 215 (ownership of design right) and sections 218 to 220 (other means of qualification) as appear to Her Majesty to be appropriate.
- (3) A statutory instrument containing an Order in Council under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

### *Dealings with design right*

#### **222 Assignment and licences**

- (1) Design right is transmissible by assignment, by testamentary disposition or by operation of law, as personal or moveable property.
- (2) An assignment or other transmission of design right may be partial, that is, limited so as to apply—
  - (a) to one or more, but not all, of the things the design right owner has the exclusive right to do;
  - (b) to part, but not the whole, of the period for which the right is to subsist.
- (3) An assignment of design right is not effective unless it is in writing signed by or on behalf of the assignor.
- (4) A licence granted by the owner of design right is binding on every successor in title to his interest in the right, except a purchaser in good faith for valuable consideration and without notice (actual or constructive) of the licence or a person deriving title from such a purchaser; and references in this Part to doing anything with, or without, the licence of the design right owner shall be construed accordingly.

#### **223 Prospective ownership of design right**

- (1) Where by an agreement made in relation to future design right, and signed by or on behalf of the prospective owner of the design right, the prospective owner purports to assign the future design right (wholly or partially) to another person, then if, on the right coming into existence, the assignee or another person claiming under him would be entitled as against all other persons to require the right to be vested in him, the right shall vest in him by virtue of this section.
- (2) In this section—

“future design right” means design right which will or may come into existence in respect of a future design or class of designs or on the occurrence of a future event; and

“prospective owner” shall be construed accordingly, and includes a person who is prospectively entitled to design right by virtue of such an agreement as is mentioned in subsection (1).
- (3) A licence granted by a prospective owner of design right is binding on every successor in title to his interest (or prospective interest) in the right, except a purchaser in good faith for valuable consideration and without notice (actual or constructive) of the licence or a person deriving title from such a purchaser; and references in this Part to doing anything with, or without, the licence of the design right owner shall be construed accordingly.

#### **224 Assignment of right in registered design presumed to carry with it design right**

Where a design consisting of a design in which design right subsists is registered under the Registered Designs Act 1949 and the proprietor of the registered design is also the design right owner, an assignment of the right in the registered design shall be taken to be also an assignment of the design right, unless a contrary intention appears.

## **225 Exclusive licences**

- (1) In this Part an “exclusive licence” means a licence in writing signed by or on behalf of the design right owner authorising the licensee to the exclusion of all other persons, including the person granting the licence, to exercise a right which would otherwise be exercisable exclusively by the design right owner.
- (2) The licensee under an exclusive licence has the same rights against any successor in title who is bound by the licence as he has against the person granting the licence.

## **CHAPTER II**

### RIGHTS OF DESIGN RIGHT OWNER AND REMEDIES

#### *Infringement of design right*

## **226 Primary infringement of design right**

- (1) The owner of design right in a design has the exclusive right to reproduce the design for commercial purposes—
  - (a) by making articles to that design, or
  - (b) by making a design document recording the design for the purpose of enabling such articles to be made.
- (2) Reproduction of a design by making articles to the design means copying the design so as to produce articles exactly or substantially to that design, and references in this Part to making articles to a design shall be construed accordingly.
- (3) Design right is infringed by a person who without the licence of the design right owner does, or authorises another to do, anything which by virtue of this section is the exclusive right of the design right owner.
- (4) For the purposes of this section reproduction may be direct or indirect, and it is immaterial whether any intervening acts themselves infringe the design right.
- (5) This section has effect subject to the provisions of Chapter III (exceptions to rights of design right owner).

## **227 Secondary infringement: importing or dealing with infringing article**

- (1) Design right is infringed by a person who, without the licence of the design right owner—
  - (a) imports into the United Kingdom for commercial purposes, or
  - (b) has in his possession for commercial purposes, or
  - (c) sells, lets for hire, or offers or exposes for sale or hire, in the course of a business,
 an article which is, and which he knows or has reason to believe is, an infringing article.
- (2) This section has effect subject to the provisions of Chapter III (exceptions to rights of design right owner).

## **228 Meaning of “infringing article”**

- (1) In this Part “infringing article”, in relation to a design, shall be construed in accordance with this section.
- (2) An article is an infringing article if its making to that design was an infringement of design right in the design.
- (3) An article is also an infringing article if—
  - (a) it has been or is proposed to be imported into the United Kingdom, and
  - (b) its making to that design in the United Kingdom would have been an infringement of design right in the design or a breach of an exclusive licence agreement relating to the design.
- (4) Where it is shown that an article is made to a design in which design right subsists or has subsisted at any time, it shall be presumed until the contrary is proved that the article was made at a time when design right subsisted.
- (5) Nothing in subsection (3) shall be construed as applying to an article which may lawfully be imported into the United Kingdom by virtue of any enforceable Community right within the meaning of section 2(1) of the European Communities Act 1972.
- (6) The expression “infringing article” does not include a design document, notwithstanding that its making was or would have been an infringement of design right.

### *Remedies for infringement*

## **229 Rights and remedies of design right owner**

- (1) An infringement of design right is actionable by the design right owner.
- (2) In an action for infringement of design right all such relief by way of damages, injunctions, accounts or otherwise is available to the plaintiff as is available in respect of the infringement of any other property right.
- (3) The court may in an action for infringement of design right, having regard to all the circumstances and in particular to—
  - (a) the flagrancy of the infringement, and
  - (b) any benefit accruing to the defendant by reason of the infringement,award such additional damages as the justice of the case may require.
- (4) This section has effect subject to section 233 (innocent infringement).

## **230 Order for delivery up**

- (1) Where a person—
  - (a) has in his possession, custody or control for commercial purposes an infringing article, or
  - (b) has in his possession, custody or control anything specifically designed or adapted for making articles to a particular design, knowing or having reason to believe that it has been or is to be used to make an infringing article,

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the owner of the design right in the design in question may apply to the court for an order that the infringing article or other thing be delivered up to him or to such other person as the court may direct.

- (2) An application shall not be made after the end of the period specified in the following provisions of this section; and no order shall be made unless the court also makes, or it appears to the court that there are grounds for making, an order under section 231 (order as to disposal of infringing article, &c.).
- (3) An application for an order under this section may not be made after the end of the period of six years from the date on which the article or thing in question was made, subject to subsection (4).
- (4) If during the whole or any part of that period the design right owner—
  - (a) is under a disability, or
  - (b) is prevented by fraud or concealment from discovering the facts entitling him to apply for an order,
 an application may be made at any time before the end of the period of six years from the date on which he ceased to be under a disability or, as the case may be, could with reasonable diligence have discovered those facts.
- (5) In subsection (4) “disability”—
  - (a) in England and Wales, has the same meaning as in the Limitation Act 1980;
  - (b) in Scotland, means legal disability within the meaning of the Prescription and Limitation (Scotland) Act 1973;
  - (c) in Northern Ireland, has the same meaning as in the Statute of Limitations (Northern Ireland) 1958.
- (6) A person to whom an infringing article or other thing is delivered up in pursuance of an order under this section shall, if an order under section 231 is not made, retain it pending the making of an order, or the decision not to make an order, under that section.
- (7) Nothing in this section affects any other power of the court.

### **231 Order as to disposal of infringing articles, &c**

- (1) An application may be made to the court for an order that an infringing article or other thing delivered up in pursuance of an order under section 230 shall be—
  - (a) forfeited to the design right owner, or
  - (b) destroyed or otherwise dealt with as the court may think fit,
 or for a decision that no such order should be made.
- (2) In considering what order (if any) should be made, the court shall consider whether other remedies available in an action for infringement of design right would be adequate to compensate the design right owner and to protect his interests.
- (3) Provision shall be made by rules of court as to the service of notice on persons having an interest in the article or other thing, and any such person is entitled—
  - (a) to appear in proceedings for an order under this section, whether or not he was served with notice, and
  - (b) to appeal against any order made, whether or not he appeared;



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and an order shall not take effect until the end of the period within which notice of an appeal may be given or, if before the end of that period notice of appeal is duly given, until the final determination or abandonment of the proceedings on the appeal.

- (4) Where there is more than one person interested in an article or other thing, the court shall make such order as it thinks just and may (in particular) direct that the thing be sold, or otherwise dealt with, and the proceeds divided.
- (5) If the court decides that no order should be made under this section, the person in whose possession, custody or control the article or other thing was before being delivered up or seized is entitled to its return.
- (6) References in this section to a person having an interest in an article or other thing include any person in whose favour an order could be made in respect of it under this section or under section 114 or 204 of this Act or section 58C of the Trade Marks Act 1938 (which make similar provision in relation to infringement of copyright, rights in performances and trade marks).

### **232 Jurisdiction of county court and sheriff court**

- (1) In England, Wales and Northern Ireland a county court may entertain proceedings under—
  - section 230 (order for delivery up of infringing article, &c.),
  - section 231 (order as to disposal of infringing article, &c.), or
  - section 235(5) (application by exclusive licensee having concurrent rights),where the value of the infringing articles and other things in question does not exceed the county court limit for actions in tort.
- (2) In Scotland proceedings for an order under any of those provisions may be brought in the sheriff court.
- (3) Nothing in this section shall be construed as affecting the jurisdiction of the High Court or, in Scotland, the Court of Session.

### **233 Innocent infringement**

- (1) Where in an action for infringement of design right brought by virtue of section 226 (primary infringement) it is shown that at the time of the infringement the defendant did not know, and had no reason to believe, that design right subsisted in the design to which the action relates, the plaintiff is not entitled to damages against him, but without prejudice to any other remedy.
- (2) Where in an action for infringement of design right brought by virtue of section 227 (secondary infringement) a defendant shows that the infringing article was innocently acquired by him or a predecessor in title of his, the only remedy available against him in respect of the infringement is damages not exceeding a reasonable royalty in respect of the act complained of.
- (3) In subsection (2) “innocently acquired” means that the person acquiring the article did not know and had no reason to believe that it was an infringing article.

### **234 Rights and remedies of exclusive licensee**

- (1) An exclusive licensee has, except against the design right owner, the same rights and remedies in respect of matters occurring after the grant of the licence as if the licence had been an assignment.
- (2) His rights and remedies are concurrent with those of the design right owner; and references in the relevant provisions of this Part to the design right owner shall be construed accordingly.
- (3) In an action brought by an exclusive licensee by virtue of this section a defendant may avail himself of any defence which would have been available to him if the action had been brought by the design right owner.

### **235 Exercise of concurrent rights**

- (1) Where an action for infringement of design right brought by the design right owner or an exclusive licensee relates (wholly or partly) to an infringement in respect of which they have concurrent rights of action, the design right owner or, as the case may be, the exclusive licensee may not, without the leave of the court, proceed with the action unless the other is either joined as a plaintiff or added as a defendant.
- (2) A design right owner or exclusive licensee who is added as a defendant in pursuance of subsection (1) is not liable for any costs in the action unless he takes part in the proceedings.
- (3) The above provisions do not affect the granting of interlocutory relief on the application of the design right owner or an exclusive licensee.
- (4) Where an action for infringement of design right is brought which relates (wholly or partly) to an infringement in respect of which the design right owner and an exclusive licensee have concurrent rights of action—
  - (a) the court shall, in assessing damages, take into account—
    - (i) the terms of the licence, and
    - (ii) any pecuniary remedy already awarded or available to either of them in respect of the infringement;
  - (b) no account of profits shall be directed if an award of damages has been made, or an account of profits has been directed, in favour of the other of them in respect of the infringement; and
  - (c) the court shall if an account of profits is directed apportion the profits between them as the court considers just, subject to any agreement between them;and these provisions apply whether or not the design right owner and the exclusive licensee are both parties to the action.
- (5) The design right owner shall notify any exclusive licensee having concurrent rights before applying for an order under section 230 (order for delivery up of infringing article, &c.); and the court may on the application of the licensee make such order under that section as it thinks fit having regard to the terms of the licence.

## CHAPTER III

### EXCEPTIONS TO RIGHTS OF DESIGN RIGHT OWNERS

#### *Infringement of copyright*

#### **236 Infringement of copyright**

Where copyright subsists in a work which consists of or includes a design in which design right subsists, it is not an infringement of design right in the design to do anything which is an infringement of the copyright in that work.

#### *Availability of licences of right*

#### **237 Licences available in last five years of design right**

- (1) Any person is entitled as of right to a licence to do in the last five years of the design right term anything which would otherwise infringe the design right.
- (2) The terms of the licence shall, in default of agreement, be settled by the comptroller.
- (3) The Secretary of State may if it appears to him necessary in order to—
  - (a) comply with an international obligation of the United Kingdom, or
  - (b) secure or maintain reciprocal protection for British designs in other countries,by order exclude from the operation of subsection (1) designs of a description specified in the order or designs applied to articles of a description so specified.
- (4) An order shall be made by statutory instrument; and no order shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

#### **238 Powers exercisable for protection of the public interest**

- (1) Where the matters specified in a report of the Monopolies and Mergers Commission as being those which in the Commission's opinion operate, may be expected to operate or have operated against the public interest include—
  - (a) conditions in licences granted by a design right owner restricting the use of the design by the licensee or the right of the design right owner to grant other licences, or
  - (b) a refusal of a design right owner to grant licences on reasonable terms,the powers conferred by Part I of Schedule 8 to the Fair Trading Act 1973 (powers exercisable for purpose of remedying or preventing adverse effects specified in report of Commission) include power to cancel or modify those conditions and, instead or in addition, to provide that licences in respect of the design right shall be available as of right.
- (2) The references in sections 56(2) and 73(2) of that Act, and sections 10(2)(b) and 12(5) of the Competition Act 1980, to the powers specified in that Part of that Schedule shall be construed accordingly.
- (3) The terms of a licence available by virtue of this section shall, in default of agreement, be settled by the comptroller.

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### **239 Undertaking to take licence of right in infringement proceedings**

- (1) If in proceedings for infringement of design right in a design in respect of which a licence is available as of right under section 237 or 238 the defendant undertakes to take a licence on such terms as may be agreed or, in default of agreement, settled by the comptroller under that section—
  - (a) no injunction shall be granted against him,
  - (b) no order for delivery up shall be made under section 230, and
  - (c) the amount recoverable against him by way of damages or on an account of profits shall not exceed double the amount which would have been payable by him as licensee if such a licence on those terms had been granted before the earliest infringement.
- (2) An undertaking may be given at any time before final order in the proceedings, without any admission of liability.
- (3) Nothing in this section affects the remedies available in respect of an infringement committed before licences of right were available.

#### *Crown use of designs*

### **240 Crown use of designs**

- (1) A government department, or a person authorised in writing by a government department, may without the licence of the design right owner—
  - (a) do anything for the purpose of supplying articles for the services of the Crown, or
  - (b) dispose of articles no longer required for the services of the Crown; and nothing done by virtue of this section infringes the design right.
- (2) References in this Part to “the services of the Crown” are to—
  - (a) the defence of the realm,
  - (b) foreign defence purposes, and
  - (c) health service purposes.
- (3) The reference to the supply of articles for “foreign defence purposes” is to their supply—
  - (a) for the defence of a country outside the realm in pursuance of an agreement or arrangement to which the government of that country and Her Majesty’s Government in the United Kingdom are parties; or
  - (b) for use by armed forces operating in pursuance of a resolution of the United Nations or one of its organs.
- (4) The reference to the supply of articles for “health service purposes” are to their supply for the purpose of providing—
  - (a) pharmaceutical services,
  - (b) general medical services, or
  - (c) general dental services,

that is, services of those kinds under Part II of the National Health Service Act 1977, Part II of the National Health Service (Scotland) Act 1978 or the corresponding provisions of the law in force in Northern Ireland.

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(5) In this Part—

“Crown use”, in relation to a design, means the doing of anything by virtue of this section which would otherwise be an infringement of design right in the design; and

“the government department concerned”, in relation to such use, means the government department by whom or on whose authority the act was done.

- (6) The authority of a government department in respect of Crown use of a design may be given to a person either before or after the use and whether or not he is authorised, directly or indirectly, by the design right owner to do anything in relation to the design.
- (7) A person acquiring anything sold in the exercise of powers conferred by this section, and any person claiming under him, may deal with it in the same manner as if the design right were held on behalf of the Crown.

#### **241 Settlement of terms for Crown use**

- (1) Where Crown use is made of a design, the government department concerned shall—
- (a) notify the design right owner as soon as practicable, and
  - (b) give him such information as to the extent of the use as he may from time to time require,

unless it appears to the department that it would be contrary to the public interest to do so or the identity of the design right owner cannot be ascertained on reasonable inquiry.

- (2) Crown use of a design shall be on such terms as, either before or after the use, are agreed between the government department concerned and the design right owner with the approval of the Treasury or, in default of agreement, are determined by the court.

In the application of this subsection to Northern Ireland the reference to the Treasury shall, where the government department referred to in that subsection is a Northern Ireland department, be construed as a reference to the Department of Finance and Personnel.

- (3) Where the identity of the design right owner cannot be ascertained on reasonable inquiry, the government department concerned may apply to the court who may order that no royalty or other sum shall be payable in respect of Crown use of the design until the owner agrees terms with the department or refers the matter to the court for determination.

#### **242 Rights of third parties in case of Crown use**

- (1) The provisions of any licence, assignment or agreement made between the design right owner (or anyone deriving title from him or from whom he derives title) and any person other than a government department are of no effect in relation to Crown use of a design, or any act incidental to Crown use, so far as they—

- (a) restrict or regulate anything done in relation to the design, or the use of any model, document or other information relating to it, or
- (b) provide for the making of payments in respect of, or calculated by reference to such use;

and the copying or issuing to the public of copies of any such model or document in connection with the thing done, or any such use, shall be deemed not to be an infringement of any copyright in the model or document.

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- (2) Subsection (1) shall not be construed as authorising the disclosure of any such model, document or information in contravention of the licence, assignment or agreement.
- (3) Where an exclusive licence is in force in respect of the design—
- (a) if the licence was granted for royalties—
    - (i) any agreement between the design right owner and a government department under section 241 (settlement of terms for Crown use) requires the consent of the licensee, and
    - (ii) the licensee is entitled to recover from the design right owner such part of the payment for Crown use as may be agreed between them or, in default of agreement, determined by the court;
  - (b) if the licence was granted otherwise than for royalties—
    - (i) section 241 applies in relation to anything done which but for section 240 (Crown use) and subsection (1) above would be an infringement of the rights of the licensee with the substitution for references to the design right owner of references to the licensee, and
    - (ii) section 241 does not apply in relation to anything done by the licensee by virtue of an authority given under section 240.
- (4) Where the design right has been assigned to the design right owner in consideration of royalties—
- (a) section 241 applies in relation to Crown use of the design as if the references to the design right owner included the assignor, and any payment for Crown use shall be divided between them in such proportion as may be agreed or, in default of agreement, determined by the court; and
  - (b) section 241 applies in relation to any act incidental to Crown use as it applies in relation to Crown use of the design.
- (5) Where any model, document or other information relating to a design is used in connection with Crown use of the design, or any act incidental to Crown use, section 241 applies to the use of the model, document or other information with the substitution for the references to the design right owner of references to the person entitled to the benefit of any provision of an agreement rendered inoperative by subsection (1) above.
- (6) In this section—
- “act incidental to Crown use” means anything done for the services of the Crown to the order of a government department by the design right owner in respect of a design;
  - “payment for Crown use” means such amount as is payable by the government department concerned by virtue of section 241; and
  - “royalties” includes any benefit determined by reference to the use of the design.

## **243 Crown use: compensation for loss of profit**

- (1) Where Crown use is made of a design, the government department concerned shall pay—
- (a) to the design right owner, or
  - (b) if there is an exclusive licence in force in respect of the design, to the exclusive licensee,

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compensation for any loss resulting from his not being awarded a contract to supply the articles made to the design.

- (2) Compensation is payable only to the extent that such a contract could have been fulfilled from his existing manufacturing capacity; but is payable notwithstanding the existence of circumstances rendering him ineligible for the award of such a contract.
- (3) In determining the loss, regard shall be had to the profit which would have been made on such a contract and to the extent to which any manufacturing capacity was under-used.
- (4) No compensation is payable in respect of any failure to secure contracts for the supply of articles made to the design otherwise than for the services of the Crown.
- (5) The amount payable shall, if not agreed between the design right owner or licensee and the government department concerned with the approval of the Treasury, be determined by the court on a reference under section 252; and it is in addition to any amount payable under section 241 or 242.
- (6) In the application of this section to Northern Ireland, the reference in subsection (5) to the Treasury shall, where the government department concerned is a Northern Ireland department, be construed as a reference to the Department of Finance and Personnel.

#### **244 Special provision for Crown use during emergency**

- (1) During a period of emergency the powers exercisable in relation to a design by virtue of section 240 (Crown use) include power to do any act which would otherwise be an infringement of design right for any purpose which appears to the government department concerned necessary or expedient—
  - (a) for the efficient prosecution of any war in which Her Majesty may be engaged;
  - (b) for the maintenance of supplies and services essential to the life of the community;
  - (c) for securing a sufficiency of supplies and services essential to the well-being of the community;
  - (d) for promoting the productivity of industry, commerce and agriculture;
  - (e) for fostering and directing exports and reducing imports, or imports of any classes, from all or any countries and for redressing the balance of trade;
  - (f) generally for ensuring that the whole resources of the community are available for use, and are used, in a manner best calculated to serve the interests of the community; or
  - (g) for assisting the relief of suffering and the restoration and distribution of essential supplies and services in any country outside the United Kingdom which is in grave distress as the result of war.
- (2) References in this Part to the services of the Crown include, as respects a period of emergency, those purposes; and references to “Crown use” include any act which would apart from this section be an infringement of design right.
- (3) In this section “period of emergency” means a period beginning with such date as may be declared by Order in Council to be the beginning, and ending with such date as may be so declared to be the end, of a period of emergency for the purposes of this section.
- (4) No Order in Council under this section shall be submitted to Her Majesty unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

### *General*

#### **245 Power to provide for further exceptions**

- (1) The Secretary of State may if it appears to him necessary in order to—
  - (a) comply with an international obligation of the United Kingdom, or
  - (b) secure or maintain reciprocal protection for British designs in other countries,
 by order provide that acts of a description specified in the order do not infringe design right.
- (2) An order may make different provision for different descriptions of design or article.
- (3) An order shall be made by statutory instrument and no order shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

## **CHAPTER IV**

### JURISDICTION OF THE COMPTROLLER AND THE COURT

#### *Jurisdiction of the comptroller*

#### **246 Jurisdiction to decide matters relating to design right**

- (1) A party to a dispute as to any of the following matters may refer the dispute to the comptroller for his decision—
  - (a) the subsistence of design right,
  - (b) the term of design right, or
  - (c) the identity of the person in whom design right first vested;
 and the comptroller's decision on the reference is binding on the parties to the dispute.
- (2) No other court or tribunal shall decide any such matter except—
  - (a) on a reference or appeal from the comptroller,
  - (b) in infringement or other proceedings in which the issue arises incidentally, or
  - (c) in proceedings brought with the agreement of the parties or the leave of the comptroller.
- (3) The comptroller has jurisdiction to decide any incidental question of fact or law arising in the course of a reference under this section.

#### **247 Application to settle terms of licence of right**

- (1) A person requiring a licence which is available as of right by virtue of—
  - (a) section 237 (licences available in last five years of design right), or
  - (b) an order under section 238 (licences made available in the public interest),
 may apply to the comptroller to settle the terms of the licence.
- (2) No application for the settlement of the terms of a licence available by virtue of section 237 may be made earlier than one year before the earliest date on which the licence may take effect under that section.



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- (3) The terms of a licence settled by the comptroller shall authorise the licensee to do—
  - (a) in the case of licence available by virtue of section 237, everything which would be an infringement of the design right in the absence of a licence;
  - (b) in the case of a licence available by virtue of section 238, everything in respect of which a licence is so available.
- (4) In settling the terms of a licence the comptroller shall have regard to such factors as may be prescribed by the Secretary of State by order made by statutory instrument.
- (5) No such order shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.
- (6) Where the terms of a licence are settled by the comptroller, the licence has effect—
  - (a) in the case of an application in respect of a licence available by virtue of section 237 made before the earliest date on which the licence may take effect under that section, from that date;
  - (b) in any other case, from the date on which the application to the comptroller was made.

#### **248 Settlement of terms where design right owner unknown**

- (1) This section applies where a person making an application under section 247 (settlement of terms of licence of right) is unable on reasonable inquiry to discover the identity of the design right owner.
- (2) The comptroller may in settling the terms of the licence order that the licence shall be free of any obligation as to royalties or other payments.
- (3) If such an order is made the design right owner may apply to the comptroller to vary the terms of the licence with effect from the date on which his application is made.
- (4) If the terms of a licence are settled by the comptroller and it is subsequently established that a licence was not available as of right, the licensee shall not be liable in damages for, or for an account of profits in respect of, anything done before he was aware of any claim by the design right owner that a licence was not available.

#### **249 Appeals as to terms of licence of right**

- (1) An appeal lies from any decision of the comptroller under section 247 or 248 (settlement of terms of licence of right) to the Appeal Tribunal constituted under section 28 of the Registered Designs Act 1949.
- (2) Section 28 of that Act applies to appeals from the comptroller under this section as it applies to appeals from the registrar under that Act; but rules made under that section may make different provision for appeals under this section.

#### **250 Rules**

- (1) The Secretary of State may make rules for regulating the procedure to be followed in connection with any proceeding before the comptroller under this Part.
- (2) Rules may, in particular, make provision—
  - (a) prescribing forms;

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- (b) requiring fees to be paid;
  - (c) authorising the rectification of irregularities of procedure;
  - (d) regulating the mode of giving evidence and empowering the comptroller to compel the attendance of witnesses and the discovery of and production of documents;
  - (e) providing for the appointment of advisers to assist the comptroller in proceedings before him;
  - (f) prescribing time limits for doing anything required to be done (and providing for the alteration of any such limit); and
  - (g) empowering the comptroller to award costs and to direct how, to what party and from what parties, costs are to be paid.
- (3) Rules prescribing fees require the consent of the Treasury.
- (4) The remuneration of an adviser appointed to assist the comptroller shall be determined by the Secretary of State with the consent of the Treasury and shall be defrayed out of money provided by Parliament.
- (5) Rules shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### *Jurisdiction of the court*

### **251 References and appeals on design right matters**

- (1) In any proceedings before him under section 246 (reference of matter relating to design right), the comptroller may at any time order the whole proceedings or any question or issue (whether of fact or law) to be referred, on such terms as he may direct, to the High Court or, in Scotland, the Court of Session.
- (2) The comptroller shall make such an order if the parties to the proceedings agree that he should do so.
- (3) On a reference under this section the court may exercise any power available to the comptroller by virtue of this Part as respects the matter referred to it and, following its determination, may refer any matter back to the comptroller.
- (4) An appeal lies from any decision of the comptroller in proceedings before him under section 246 (decisions on matters relating to design right) to the High Court or, in Scotland, the Court of Session.

### **252 Reference of disputes relating to Crown use**

- (1) A dispute as to any matter which falls to be determined by the court in default of agreement under—
- (a) section 241 (settlement of terms for Crown use),
  - (b) section 242 (rights of third parties in case of Crown use), or
  - (c) section 243 (Crown use: compensation for loss of profit),
- may be referred to the court by any party to the dispute.
- (2) In determining a dispute between a government department and any person as to the terms for Crown use of a design the court shall have regard to—

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- (a) any sums which that person or a person from whom he derives title has received or is entitled to receive, directly or indirectly, from any government department in respect of the design; and
  - (b) whether that person or a person from whom he derives title has in the court's opinion without reasonable cause failed to comply with a request of the department for the use of the design on reasonable terms.
- (3) One of two or more joint owners of design right may, without the concurrence of the others, refer a dispute to the court under this section, but shall not do so unless the others are made parties; and none of those others is liable for any costs unless he takes part in the proceedings.
- (4) Where the consent of an exclusive licensee is required by section 242(3)(a)(i) to the settlement by agreement of the terms for Crown use of a design, a determination by the court of the amount of any payment to be made for such use is of no effect unless the licensee has been notified of the reference and given an opportunity to be heard.
- (5) On the reference of a dispute as to the amount recoverable as mentioned in section 242(3)(a)(ii) (right of exclusive licensee to recover part of amount payable to design right owner) the court shall determine what is just having regard to any expenditure incurred by the licensee—
- (a) in developing the design, or
  - (b) in making payments to the design right owner in consideration of the licence (other than royalties or other payments determined by reference to the use of the design).
- (6) In this section “the court” means—
- (a) in England and Wales, the High Court or any patents county court having jurisdiction by virtue of an order under section 287 of this Act,
  - (b) in Scotland, the Court of Session, and
  - (c) in Northern Ireland, the High Court.

## CHAPTER V

### MISCELLANEOUS AND GENERAL

#### *Miscellaneous*

#### **253 Remedy for groundless threats of infringement proceedings**

- (1) Where a person threatens another person with proceedings for infringement of design right, a person aggrieved by the threats may bring an action against him claiming—
- (a) a declaration to the effect that the threats are unjustifiable;
  - (b) an injunction against the continuance of the threats;
  - (c) damages in respect of any loss which he has sustained by the threats.
- (2) If the plaintiff proves that the threats were made and that he is a person aggrieved by them, he is entitled to the relief claimed unless the defendant shows that the acts in respect of which proceedings were threatened did constitute, or if done would have constituted, an infringement of the design right concerned.

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- (3) Proceedings may not be brought under this section in respect of a threat to bring proceedings for an infringement alleged to consist of making or importing anything.
- (4) Mere notification that a design is protected by design right does not constitute a threat of proceedings for the purposes of this section.

#### **254 Licensee under licence of right not to claim connection with design right owner**

- (1) A person who has a licence in respect of a design by virtue of section 237 or 238 (licences of right) shall not, without the consent of the design right owner—
  - (a) apply to goods which he is marketing, or proposes to market, in reliance on that licence a trade description indicating that he is the licensee of the design right owner, or
  - (b) use any such trade description in an advertisement in relation to such goods.
- (2) A contravention of subsection (1) is actionable by the design right owner.
- (3) In this section “trade description”, the reference to applying a trade description to goods and “advertisement” have the same meaning as in the Trade Descriptions Act 1968.

#### *Extent of operation of this Part*

#### **255 Countries to which this Part extends**

- (1) This Part extends to England and Wales, Scotland and Northern Ireland.
- (2) Her Majesty may by Order in Council direct that this Part shall extend, subject to such exceptions and modifications as may be specified in the Order, to—
  - (a) any of the Channel Islands,
  - (b) the Isle of Man, or
  - (c) any colony.
- (3) That power includes power to extend, subject to such exceptions and modifications as may be specified in the Order, any Order in Council made under section 221 (further provision as to qualification for design right protection) or section 256 (countries enjoying reciprocal protection).
- (4) The legislature of a country to which this Part has been extended may modify or add to the provisions of this Part, in their operation as part of the law of that country, as the legislature may consider necessary to adapt the provisions to the circumstances of that country; but not so as to deny design right protection in a case where it would otherwise exist.
- (5) Where a country to which this Part extends ceases to be a colony of the United Kingdom, it shall continue to be treated as such a country for the purposes of this Part until—
  - (a) an Order in Council is made under section 256 designating it as a country enjoying reciprocal protection, or
  - (b) an Order in Council is made declaring that it shall cease to be so treated by reason of the fact that the provisions of this Part as part of the law of that country have been amended or repealed.

- (6) A statutory instrument containing an Order in Council under subsection (5)(b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### **256 Countries enjoying reciprocal protection**

- (1) Her Majesty may, if it appears to Her that the law of a country provides adequate protection for British designs, by Order in Council designate that country as one enjoying reciprocal protection under this Part.
- (2) If the law of a country provides adequate protection only for certain classes of British design, or only for designs applied to certain classes of article, any Order designating that country shall contain provision limiting, to a corresponding extent, the protection afforded by this Part in relation to designs connected with that country.
- (3) An Order under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### **257 Territorial waters and the continental shelf**

- (1) For the purposes of this Part the territorial waters of the United Kingdom shall be treated as part of the United Kingdom.
- (2) This Part applies to things done in the United Kingdom sector of the continental shelf on a structure or vessel which is present there for purposes directly connected with the exploration of the sea bed or subsoil or the exploitation of their natural resources as it applies to things done in the United Kingdom.
- (3) The United Kingdom sector of the continental shelf means the areas designated by order under section 1(7) of the Continental Shelf Act 1964.

#### *Interpretation*

#### **258 Construction of references to design right owner**

- (1) Where different persons are (whether in consequence of a partial assignment or otherwise) entitled to different aspects of design right in a work, the design right owner for any purpose of this Part is the person who is entitled to the right in the respect relevant for that purpose.
- (2) Where design right (or any aspect of design right) is owned by more than one person jointly, references in this Part to the design right owner are to all the owners, so that, in particular, any requirement of the licence of the design right owner requires the licence of all of them.

#### **259 Joint designs**

- (1) In this Part a “joint design” means a design produced by the collaboration of two or more designers in which the contribution of each is not distinct from that of the other or others.
- (2) References in this Part to the designer of a design shall, except as otherwise provided, be construed in relation to a joint design as references to all the designers of the design.

**260 Application of provisions to articles in kit form**

- (1) The provisions of this Part apply in relation to a kit, that is, a complete or substantially complete set of components intended to be assembled into an article, as they apply in relation to the assembled article.
- (2) Subsection (1) does not affect the question whether design right subsists in any aspect of the design of the components of a kit as opposed to the design of the assembled article.

**261 Requirement of signature: application in relation to body corporate**

The requirement in the following provisions that an instrument be signed by or on behalf of a person is also satisfied in the case of a body corporate by the affixing of its seal—

- section 222(3) (assignment of design right),
- section 223(1) (assignment of future design right),
- section 225(1) (grant of exclusive licence).

**262 Adaptation of expressions in relation to Scotland**

In the application of this Part to Scotland—

- “account of profits” means accounting and payment of profits;
- “accounts” means count, reckoning and payment;
- “assignment” means assignation;
- “costs” means expenses;
- “defendant” means defender;
- “delivery up” means delivery;
- “injunction” means interdict;
- “interlocutory relief” means interim remedy; and
- “plaintiff” means pursuer.

**263 Minor definitions**

- (1) In this Part—

- “British design” means a design which qualifies for design right protection by reason of a connection with the United Kingdom of the designer or the person by whom the design is commissioned or the designer is employed;
- “business” includes a trade or profession;
- “commission” means a commission for money or money’s worth;
- “the comptroller” means the Comptroller-General of Patents, Designs and Trade Marks;
- “computer-generated”, in relation to a design, means that the design is generated by computer in circumstances such that there is no human designer;
- “country” includes any territory;
- “the Crown” includes the Crown in right of Her Majesty’s Government in Northern Ireland;
- “design document” means any record of a design, whether in the form of a drawing, a written description, a photograph, data stored in a computer or otherwise;

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“employee”, “employment” and “employer” refer to employment under a contract of service or of apprenticeship;

“government department” includes a Northern Ireland department.

- (2) References in this Part to “marketing”, in relation to an article, are to its being sold or let for hire, or offered or exposed for sale or hire, in the course of a business, and related expressions shall be construed accordingly; but no account shall be taken for the purposes of this Part of marketing which is merely colourable and not intended to satisfy the reasonable requirements of the public.
- (3) References in this Part to an act being done in relation to an article for “commercial purposes” are to its being done with a view to the article in question being sold or hired in the course of a business.

## 264 Index of defined expressions

The following Table shows provisions defining or otherwise explaining expressions used in this Part (other than provisions defining or explaining an expression used only in the same section)—

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account of profits and accounts (in Scotland)	section 262
assignment (in Scotland)	section 262
British designs	section 263(1)
business	section 263(1)
commercial purposes	section 263(3)
commission	section 263(1)
the comptroller	section 263(1)
computer-generated	section 263(1)
costs (in Scotland)	section 262
country	section 263(1)
the Crown	section 263(1)
Crown use	sections 240(5) and 244(2)
defendant (in Scotland)	section 262
delivery up (in Scotland)	section 262
design	section 213(2)
design document	section 263(1)
designer	sections 214 and 259(2)
design right	section 213(1)
design right owner	sections 234(2) and 258
employee, employment and employer	section 263(1)
exclusive licence	section 225(1)

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government department	section 263(1)
government department concerned (in relation to Crown use)	section 240(5)
infringing article	section 228
injunction (in Scotland)	section 262
interlocutory relief (in Scotland)	section 262
joint design	section 259(1)
licence (of the design right owner)	sections 222(4), 223(3) and 258
making articles to a design	section 226(2)
marketing (and related expressions)	section 263(2)
original	section 213(4)
plaintiff (in Scotland)	section 262
qualifying individual	section 217(1)
qualifying person	sections 217(1) and (2)
signed	section 261

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