



Position Paper on Proposed Changes to the Locarno Classification System for Industrial Designs

MARQUES, the Association of European Trade Mark Owners, represents over 750 trade mark owners and trade mark and design law professionals. **MARQUES**, which was founded in 1987, represents trade mark owners' interests before the relevant European Union and other international bodies in all relevant areas. It also organises networking and educational events and promotes communication between brand owners in Europe. The goal of the Association is to assist brand owners in the management, protection and exploitation of their trade marks, designs and other IP rights, and to provide an effective platform for the representation of their interests.

The **MARQUES** Designs Team has prepared this position paper in response to the proposals put forward to the Ad Hoc Working Group of the Special Union for the International Classification for Industrial Designs (Locarno Classification) by representatives of a number of contracting parties.

It is not **MARQUES**'s intention to comment in detail on the various proposals put forward by the contracting parties, but rather to attempt to identify areas of interest to intellectual property owners for whom the system was developed, and whose industrial design application fees fund the system and its administration. That said, **MARQUES** agrees with the Ad Hoc Working Group that the Locarno Classification needs to be developed further in order to meet current needs. **MARQUES** therefore supports the establishment of a pilot group to work on the development of a search system for designs based on visual search features.

Background

Stephen Jay Gould said shortly before he died in 2002: "taxonomy (the science of classification) is often undervalued as a glorified form of filing".

The Locarno Classification provides for a taxonomic system for the classification of products – a filing schema, begun in 1968, that, through a system of 32 classes and 223 subclasses, seeks to ensure that the growing number of registered design filings are orderly. The aim of the Locarno Classification is to facilitate searches for designs.

The Locarno Classification does not purport to impact on the scope of protection of design registrations – it is solely an administrative tool. Within the European Union, Registered Community Design (RCD) law (governed by Council Regulation 6/2002/EC) and harmonised national law on registered designs in all 27 European Union member states (governed by Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998) state that the indication of a Locarno Classification does not affect the scope of protection of the design "as such".

However, by way of illustrative example, in considering invalidity of an RCD, the Office for Harmonisation in the Internal Market (OHIM) will assess the overall impression created on the "informed user" of the design shown in the RCD – this is taken to be the informed user of the item specified in the application. Hence, the Locarno Classification, which is used to classify the product specified, could, at least within the European Union, have an impact on the scope of protection of RCDs.

Difficulties with the Locarno Classification

MARQUES is indebted to the non-papers of the contracting parties for setting out some of the current difficulties with the Locarno Classification.

Within the European Union, and in many other countries, design law relates to the protection of the **appearance** of a product or part of a product (“what it looks like”). Designs do not protect **functionality** (“what it does”). At present, the Locarno Classification relates more to what a product does, rather than what it looks like.

Under harmonised European Union design law, a registered design protects against use of the design in relation to any product. By way of example, there is already OHIM case law relating to designs used on toy cars as opposed to real cars (*Supermarked A/S v Ferrari SPA*, ICD 842, 13 November 2006), as well as a decision of the Court of Appeal of England & Wales relating to a design that can function as both a laundry aid, and a massage device (*Green Lane Products Ltd v PMS International Group Plc & Ors* [2008] EWCA 358). In these instances, a search of a classification system based on purpose or function would not have identified the allegedly invalidating design, because it came from a different field of endeavour: in the flipside of the test for infringement, validity is also determined against designs in any field (except obscure designs), not just designs in the same field as the design the validity of which is questioned.

This apparent mismatch creates a number of difficulties for practitioners. Primarily, an innovator seeking to launch a new product has no way quickly and inexpensively of ascertaining whether its innovation infringes the registered design rights of a third party. Whilst reasonably accurate searches can be conducted in a small number of Locarno classes or subclasses, in truth, a design which is allegedly infringed may be lurking in any number of unsearched classes or subclasses. As commercial search agencies charge per class or subclass, the additional costs of searching more widely mean that, in practice, **MARQUES** members report that they are not searching prior to filing for registered design protection, or prior to launch. This increases both costs and the level of nervousness of innovators, leading to a dampening effect on innovation.

High costs also have to be incurred by parties seeking to invalidate the registered design rights of third parties. This issue is exacerbated by the fact that OHIM and several national intellectual property offices in the European Union do not examine design applications for novelty and by the low cost of registered design protection in the European Union (an RCD application, covering a population of over 450 million people, falls to only Euro80 for the 11th design filed in a single application). It is up to users of the system (including **MARQUES** members) to police the registers, and bear the attendant costs of invalidating invalid design registrations.

Further, the issue is exacerbated by the acceptance under harmonised European Union law of logos and other signs as capable of being protected by registered design protection. Logos are currently classified in Locarno Class 99 (Class 32 from 1 January 2009). Without some further form of classification (such as the Vienna Classification used by OHIM in relation to Class 99), it is not possible to locate similar logos. Again, in practice, many **MARQUES** members report that they are choosing not to search registered designs when launching new word or word and device marks, even though a prior registered design could be used to invalidate the later trade mark, to seize products at the customs border and/or to obtain injunctions to prevent launch of the new product.

The summary of the Chairman of the meeting of the Ad Hoc Working Group of 30 June to 2 July 2008 and several of the non-papers of contracting parties also note that several classes have become crowded (and could benefit from further subclasses) and that other subclasses have fallen into disuse, and could potentially be removed. **MARQUES** understands that the addition or omission of subclasses is something of a subsidiary issue, which, although requiring proper consideration, does not resolve the other issues identified with respect to the Locarno Classification system as a whole.

MARQUES therefore supports the submissions to the Working Group that further development of the Locarno Classification is required in order to enhance the assistance it provides to users of the design registration system and the establishment of a pilot group to work on the development of a search system for designs based on visual search features.

Hallmarks of a good classification system

Rather than comment in detail on the various proposals put forward by contracting parties to the Locarno Union, we set out below some of the hallmarks of a good classification system, and the practical impacts on **MARQUES** members who are users of the system.

To borrow comments from the European Court of Justice in another context, a classification system should be clear, precise, self-contained, easily accessible, intelligible, durable and objective. We elucidate on these requirements below.

1. The classification system must be easy to use. Many applications for registered designs are filed by individuals, without the assistance of professional help. All applicants, whether professionals or not, should be able to make a ready assessment of how their design application should be classified. Classification of designs, whilst more of an art than a science, should not require extensive training. A system which is easy to use will also be more readily adopted in countries with fewer resources.
2. The classification system should be readily searchable. The primary (we would submit only) object of the Locarno Classification is to enable searching of designs. (Although some intellectual property offices use the classification to assist them in collecting fees, this is not an object of the classification – rather it is a side-effect). In addition, therefore, to enabling applicants for registered design protection to assess which Locarno class their design falls within, it should also be comparatively simple, even for irregular users of the system, to undertake searches using the system (a drop down menu of search features is one sensible suggestion). This is additionally necessary in countries that examine designs for novelty, where examiners will be searching the system, and applicants will have to respond to examiners' searches. Commercial search facilities will no doubt continue to develop, but they must be at a reasonable cost to users.
3. The classification system should reflect the nature of the units being classified. As noted above, registered designs protect the appearance of a product. Therefore, it is **MARQUES**'s submission that the Locarno Classification should be based on the appearance of designs, rather than their function (which is not an aspect of design protection). The appearance of a design should be obvious from the image in the application. The function, or purpose, of the design is not necessarily obvious, and requires interpretation, leading to different classifications by different individuals for the same or similar designs. To the extent possible, subjectivity in classification should be removed or minimised. Therefore, to the extent that a number of contracting parties suggest that additional subclasses based on perceived purpose for a design (see for example, the Czech suggestion of classifying "seats" by "facet of a person", "facet of a purpose" and "facet of an action"), we submit that such a classification system is not clear, precise or objective. In **MARQUES**'s submission, a search system based on or supplemented by visual search features would be one of the better ways of using existing technology to reflect the needs of industry.
4. The classification system should command wide respect. Increasing internationalisation of business means that many more innovators are applying for design registration in more countries than their country of origin. Thus, they interact with a number of design registration systems. The welcome increase in contracting parties to the Hague Convention on the International Registration of Industrial Designs and Models, including especially the adherence to the Geneva Act of the European Union to enable international filings of RCDs and the proposed adherence of the United States of America, means that

internationalisation of design filings will continue to increase. In this context, it is important that members of the Locarno Union adopt the changes to the classification system, and that non-members are encouraged to adopt the changes, and to join the Union (especially those who are members of the Hague Union, but not the Locarno Union). Currently, many members of the Union also employ their additional classification definitions as a gloss on the current Locarno Classification – several submissions demonstrated the different classifications applied to the same design by different contracting parties. One response to this, as suggested by ECTA, the European Communities Trade Mark Association, would be to provide for the acceptance by the intellectual property offices in all other members of the Union of the classification provided by the “home” intellectual property office. As noted by Japan: “there will be no point in adopting the same classification symbols if its definition varies in each country”.

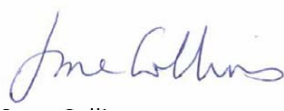
5. The classification system should be readily available. **MARQUES** supports the proposal of the United States of America that future versions of the Locarno Classification be published electronically.
6. The classification system should be durable. This is best achieved by ensuring that amendments can readily be made to the system to ensure it keeps pace with technological and creative developments. New classes of products will emerge, and old classes of products will fall into disuse. This is currently obvious from the overcrowding of some classes, and the apparent abandonment of others.

Conclusion

MARQUES appreciates that it may not be possible, at this time, to obtain agreement to proposed amendments to the Locarno Classification that meet all of the above criteria. However, we felt it would be helpful to set out those aspects of classification that are most important to the users of the system – intellectual property owners and their representatives.

MARQUES therefore supports efforts further to develop the Locarno Classification within the Locarno Union, including the pilot group. It is to be hoped that the pilot project can develop and test one or more proposals for visual recognition searches to test for cost effectiveness and viability.

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