A High Value Business Tool or the Illegitimate Child of IP?

A new Designs Law has just been enacted in Israel, and is due to take effect in about one year from now. The need for a new law has existed for a long time, due to the current system being based on the Patents and Designs Ordinance ('the Act') of 1924. To say that this change is well overdue would be a gross understatement.

So what has taken so long? When pondering that question I recall a roundtable discussion that I attended on The [Hague System](http://www.wipo.int/hague/en/) of international design registration. I estimate that this was probably about 8 years ago, at one of the big international conferences, and all present agreed that designs were the “illegitimate child of IP.” If you look at the time it has taken for the IP world at large, to get its act together regarding designs; if you compare how many countries are members of the PCT, Madrid and Hague, respectively; and otherwise consider the huge differences between different jurisdictions when it comes to design rights, it’s hardly surprising that this was – and still is to a large degree – the perception.

While it is perfectly true that many more patents (utility) and trademarks are registered than designs, and that designs are often left by the wayside, this does not mean that they have no or little value. In my own experience in practice since the 1980’s, we have registered large numbers of designs for our clients. True, we have obtained vastly more patents and trademarks. However, design registration always seems to be a deliberate, tactical move, often forming part of a grand strategy. While this is legitimate, it is something that would and should be done even more, if only the power of designs was appreciated.

Before we take a look at when design registration may become a high value business tool, I’d like to share a memory of a panel discussion at the IPBC meeting in Tokyo two years ago. The question being discussed was “what constitutes high value IP assets?”. One of the panel members suggested that a high value patent is one whose claim scope is clear. I can see legitimacy both in that position, *and* in a position which is totally opposite.

However, if **clarity** is deemed by some to lend value to a utility patent, why is that? Surely one reason for this is that when a patent claim articulates the invention clearly, then an allegation of infringement is easier to prove. And, I would argue, that such **clarity** is also part of the value inherent in some trademarks. For example, if a third party copies a registered trademark exactly, and uses it in connection with goods specified in the registration, well that makes an infringement case as clear as could be. And by the same logic, a clearly drafted patent claim should make any infringement case easier to prove!

Now let’s apply the same logic to registered designs (including industrial designs and design patents).

One of the criticisms of design rights as a useful IP tool is that, by definition, such rights are very narrow. They relate to a product and, as opposed to a utility patent, a relatively minor change in the design of a competing product will be sufficient to avoid infringement. And as opposed to a trademark which covers entire classes of goods and services, and especially a word mark which can be styled in a thousand different ways, but each one will still infringe the word mark, a design patent is much too specific, and so cannot have much value.

That objection is, of course, often valid.

But…. and this is a big but…..

there are cases when that criticism is not applicable, and ignores the fact that such specificity can be an advantage, and can result in rock-solid rights. We have obtained design registrations for our clients for shoes, diamonds, cellphones, cars and countless other products, in Israel, the US and many other jurisdictions. The one thing that they all have in common is that they all have value, because the specific product has value.

If you change even something minor in the product design (think of [Apple v. Samsung](https://www.google.co.il/search?q=apple+samsung+design+patent+damages&oq=apple+samsung+design&aqs=chrome.2.0j69i57j0l4.12357j0j4&sourceid=chrome&ie=UTF-8)), or even if you merely force a competitor to redesign their own version of your product, what is the potential return on your investment in design registration? It may be difficult to estimate, but it can be very, very high.

Therefore, next time you’re thinking about products which admittedly may be only one of many possible implementations of a patented invention, and admittedly may carry a registered trademark, ask yourself the following question:

*“Can design registration for your product result in a high value, highly specific, highly actionable, tactical IP asset, all for an investment which is a fraction of the price of a patent?”*

If the answer is “yes”, then go ahead, and register that design!

So, are registered designs the Illegitimate Child of IP? I don’t think so.

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For more information about the new Designs Law, write to me at Jeremy.Ben-david@Jmbdavis.com, or watch this space.