

## NEW ACT ON THE LEGAL PROTECTION ON DESIGNS AS OF JANUARY 1, 2002

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Author: Dr. Gusztáv Bacher

On June 12, 2001, the Hungarian Parliament passed Act XLVIII on the Legal Protection of Designs (“**Act**”). The Act is harmonized with Directive 98/71/EC of the European Parliament and of the Council on the legal protection of designs (“**Directive**”), and the provisions are also in line with those of the Paris Convention for the Protection of Industrial Property and the Agreement on Trade Related Aspects of Intellectual Property. The provisions are also based on the Hague Agreement Concerning the International Deposition of Industrial Designs (1925) and the Locarno Agreement Establishing an International Classification System for Industrial Designs (1968).

By passing this Act, the purpose of the Hungarian Parliament was to replace Law-Decree 28 of 1978 on the Protection of Industrial Designs with rules that harmonised with the regulations for legal protection of designs. The Act authorizes the Minister of Justice to regulate in a form of a ministerial decree the detailed rules for the registration of a design with the Hungarian Patent Office (Section 68).

### 1) SUBJECT OF DESIGN PROTECTION

The subject of the design protection is the *design* itself. The design is the appearance of the whole or a part of the product resulting from the features of, in particular, the lines contours, colors, shape, texture and / or materials of the product itself and / or its ornamentation.

*A product* shall be considered as any industrial or handicraft item, including *inter alia* parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer software programs.

The appearance of a product is not limited to its shape - other relevant factors such as its color or the specifics of the certain materials shall be subject of the protection as well. In addition, functional specifics that are related to the technical nature and establishment of the design are also subject to the design protection. Thus, the protection is not limited to the industrial applicability of the product.

Although computer software programs are excluded from the protection, designs which are related to computer programs are not excluded from the protection, such as the menu or the icon.

The issue as to whether design rights shall be protected within the framework of industrial rights or within copyright law is addressed in a manner that the Act promotes the protection of design rights as industrial rights. Thus, under Section 64, it recognizes the protection provided for the artistic appearance on the designs under copyright law. In other words, a cummulation of Intellectual Property rights (design and copyright rights) is acknowledged.

## 2) LEGAL PROTECTION

The design shall be protected by a design right to the extent that it is (i) new, and (ii) has an individual character.

### (i) Novelty

The design shall be considered *new* if no identical design has been made available to the public before the date of filing of the application for registration, or if priority is claimed, the date of priority. Designs shall be deemed to be identical if their features differ only with respect to immaterial details.

### (ii) Individual character

The design shall be considered to have an individual character if the overall impression it produces on informed users differs from the impression made by any design which has been made available to the public before the date of the filing of the registration application. In assessing the individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.

### (iii) Disclosure

The design shall be deemed to have been made available to the public if it has been published, exhibited, used in trade or otherwise disclosed, except where these events could not reasonably have become known in the normal course of business to those specialized in the sector concerned. The design shall not, however, be deemed to have been made available to the public solely based on the fact that it has been disclosed to a third person under conditions of confidentiality.

A disclosure shall not be taken into consideration if a design has been made available to the public by the designer, his successor in title, or a third party during the 12-month period preceding the date of filing of the application.

This provision provides for a 12-month “waiting period” which would enable the designer to first distribute the product for a year and then decide whether or not to register the design.

The above regulation shall also apply if the design has been made available to the public as a consequence of breach in the relationship with to the designer or his successor in title.

### (iv) Exclusion from the protection

Certain designs shall not be subject to design rights - designs which are contrary to public policy or morality, those which have features solely dictated by their technical functions. Designs are not subject to protection which must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may

perform its function.

A design shall not be protected if the design constitutes an unauthorized use of a work protected under copyright law or if it constitutes an industrial right.

### **3) CONTENT OF THE PROTECTION, INFRINGEMENT**

The holder of the registered design right has primary economic rights under the protection. Accordingly, the holder of a registered design has the exclusive right to use it and to prevent any third party not having his consent from utilizing it. The utilization shall cover, in particular, the making, offering, commercialization, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or the warehousing of such a product for those purposes.

However, the Act specifies certain use of the design by third parties which shall not be subject to such limitation - acts carried out in a private capacity and for non-commercial purposes, acts carried out for experimental purposes, etc.

The unauthorized utilization of a design shall be deemed infringement. In the case of infringement the holder or as the case may be the licensee may initiate a law suite for establishment of the infringement and other civil law injunctions. In order to avoid repetition in connection with regulation of industrial property claims, the Act establishes that “mutatis mutandis” those injunctions may be claimed and pursuant to the special civil procedural rules as specified in the Patent Protection Act (Act XXXIII of 1995) for patent infringement and for patent infringement actions.

### **4) EXHAUSTION OF DESIGN RIGHTS**

According to the Act a design right relating to a product shall not extend to actions following the first commercial sale of the product within the territory of Hungary, provided that the first commercial sale was carried out by the holder of the design right or pursuant to his consent.

### **5) TERM OF PROTECTION**

Upon registration, a design shall be protected by a design right for one or more periods of five years each from the date of filing of the application. The right holder may have the term of protection renewed for such 5-year periods, up to a total term of 25 years from the date of filing.

*For further information on this topic, please contact Dr. Gusztáv Bacher at Szecskay Law Firm - Moquet Borde & Associés by telephone (+36 (1) 353 1255) or by fax (+36 (1) 353 1229) or by e-mail ([mba@szecskay.hu](mailto:mba@szecskay.hu)).*