

2 Desirable Form of Design System Suitable for Strategic Utilization of Designs

In the Intellectual Property Policy Outline, it is recommended that specific measures be considered to develop an environment for providing products and services of greater value by using attractive designs. It is also decided in the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property that “the Government of Japan (GOJ) will extensively study new subject matters, such as designs of operational screen pages (icons, etc.) used on computer networks, and will draw a conclusion during FY 2003.” Following these trends, we should immediately review the existing design system, considering whether it is suitable for strategic utilization of designs and appropriate to the actual condition of designing activities.

Under such circumstances, a research study committee was formed to discuss a wide range of issues: (1) protection of screen page designs (whether to expand the statutory scope of designs to protect screen page designs, the contents and methods of such protection, the direction of institutional arrangements, etc.); (2) expansion of the scope of the effect of a design right (whether the current scope is appropriate, to what extent the effect of a design right should be acknowledged, etc.); (3) other issues

I Introduction

Background of This Research Study

In recent years, China and other Asian countries have acquired the capability to produce a large quantity of products at a low cost with the rapid advancement in technical standards and low labor costs. Accordingly, it has become an urgent task for Japan to maintain its industrial competitiveness on a global scale and revitalize its economy and society as a whole. In these circumstances, Japan has placed emphasis on efforts for production of differential products and high-value-added products. An effective way to achieve this is to aim at “establishing brand names” and “improving brand images” through strategic utilization of designs.

In the Intellectual Property Policy Outline formulated by the Strategic Council on Intellectual Property, it is recommended that “the GOJ will consider specific measures to develop an environment for providing products and services of greater value by using attractive designs and brand names, including the establishment of ideal design and trademark systems, and will draw a conclusion by FY 2005.” In the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property, which was formulated following the policy outline, it is also stated that: “the GOJ will consider concrete measures to develop an environment for providing products of higher value by creating attractive designs, along with consideration of a desirable form of design system, and will draw a conclusion by FY 2005; the GOJ will also extensively study new subject matters, such as designs of operational screen pages (icons, etc.)

used on computer networks, and will draw a conclusion during FY 2003.”

The design system is a fundamental structure for protecting economic value created by prior investment in the creation of designs against imitations and establishing it as a clear unit of property right, thereby promoting the utilization and distribution of such right. In order to ensure proper protection of designs, it is necessary to review a desirable form of design system in line with the change of the position of designs in industry.

Considering the circumstances mentioned above, we should immediately start discussion on a desirable form of design system that is suitable for strategic utilization of designs.

II Discussion on the Protection of Screen Page Designs

1 Background of the Discussion

Along with the advancement of the information and network-based society, the scope of subjects of design development have expanded to include not only conventional designs of the appearance and configuration of devices but also software designs such as screen page designs, or designs of information that is indicated and used via the display screen of a device. In other words, designers have started to exercise their talents to improve the operability of screen pages such as ease to see, use, and understand, or develop screen page designs with elaborate visual or perceptual appeals such as fun and aesthetics, with the aim of increasing the value of a software product which contains such screen pages.

Under the Japanese design system, design

registration has been granted for a screen page design only in the case where the design is indispensable for constituting the article (device), by regarding the design as a part that forms the device. It is pointed out that the scope of screen page designs to be protected under the Japanese design system is narrower than the scope under foreign design systems in the United States and Europe.

In the Intellectual Property Policy Outline formulated by the Strategic Council on Intellectual Property and the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property developed following the policy outline, it is recommended that “the GOJ will also extensively study new subject matters, such as designs of operational screen pages (icons, etc.) used on computer networks, and will draw a conclusion during FY 2003.”

Based on recognition of the background factors mentioned above, this research study committee comprehensively discussed to what extent the scope of protection for screen page designs should be expanded under the design system.

2 Direction of the Discussion at the Committee

If a new scheme of design protection that is specialized in screen page designs is assumed, institutional arrangements would be required with respect to various issues, such as the unit of subject matter to be protected, the matters to be examined, and the nature and scope of a design right. When intending only to expand the scope of protection for screen page designs, we should avoid causing unnecessary confusion in the framework of the existing design system, which is based on the requirement that a design must be applied to an article (“requirement for a design to be applied to an article”).

In the United States and European countries, design registration is granted according to more flexible theories than in Japan from the perspective of the requirement for a design to be applied to an article. However, even in these countries, courts have yet to issue an injunction based on a design right for a screen page design, and therefore it is still unclear against what subject an injunction will be issued in the case of an infringement of such design right.

In light of such a situation, the research study committee discussed in detail a feasible scheme of protection within the framework of the existing design system based on the requirement for a design to be applied to an article, with the aim of drawing a conclusion by the end of FY2003 in respect of a desirable way of protecting screen page designs under the design system.

The core factors for the framework of the existing design system are as follows:

- [1]the design system is intended to protect configuration elements of a specific product;
- [2]the administrative office confirms, prior to granting a design right, whether the requirements for registration such as novelty are satisfied;
- [3]the substance of a design right is an absolute exclusive right.

3 Specific Direction of Protection of Screen Page Designs

Under the existing design system, a design right shall be granted for a product in the market, and on such presupposition, it is clearly recognized that an injunction will be issued against a product in the case of an infringement of a design right. In this discussion, the secretariat of the committee presented a draft proposal concerning a specific direction for protecting screen page designs under the existing design system. The draft proposal contains the following basic factors:

- [1]Following the principle on an article under the existing Design Law, a computer program that is placed in the market and has a certain economic value shall be regarded as a product, and visual elements relating to the program shall be protected as a design;
- [2]The methods to select and transmit multiple screen pages shall not be protected under the Design Law because they cannot be identified as specific visual elements;
- [3]In order to describe, in the request and drawings attached thereto, visual elements of a computer program for which design registration is sought, screen pages that are necessary for achieving the purpose and functions of the program shall be described in the request and drawings, and an additional classification of product shall be mentioned in the section of “the product to which the design is applied”;
- [4]The administrative office shall confirm, prior to granting a design right, whether the screen page designs claimed in the application for design registration satisfy the requirements for registration such as novelty;
- [5]A design right for screen page designs shall be an absolute exclusive right, and the matters necessary for defining the design right shall be published in a design gazette;
- [6]An injunction and other measures shall be issued and taken against the program for which the design right has been granted.

4 Opinions Heard at the Committee

Summarizing opinions presented by the

committee members concerning the draft proposal of the committee secretariat, the members, in general, agreed to establish a scheme for protecting screen page designs, but they strongly pointed out that, if the current draft proposal were adopted, protection means, including an injunction against a computer program itself, would be too strong compared to the interests to be protected by the Design Law (the value of screen page designs). The members required further discussion while reviewing the overall design system in order to establish a specific scheme of protection.

5 Conclusion of the Discussion

As a result of the current discussion regarding a desirable way of protecting screen page designs under the design system, the research study committee drew the following conclusions.

Screen page designs are fruits of human activities of intellectual creation, and they are frequently used for information devices and home appliances, playing an important role in our social and economic activities. Screen page designs that are inseparably integrated with the device have already been included in the scope of subject matter to be protected under the Design Law. The committee found sufficient necessity to consider a desirable way of protecting, under the Design Law, screen page designs that were not integrated with the device, as intellectual property relating to industrial activities.

However, if screen page designs that are not integrated with the device are protected within the framework of the existing design system in which a design is regarded, as a prerequisite, as the appearance of an article, balance would not be secured between protection of screen page designs and protection of the program that produce such designs. If at all screen page designs themselves were to be protected under the Design Law, it would be necessary to review the framework of the existing design system which has been established for the purpose of protecting the appearance of an article.

In the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property, which was formulated by the Strategic Council on Intellectual Property in July 2003, it is stated that the GOJ will consider concrete measures to develop an environment for providing products of higher value by creating attractive designs, along with consideration of a desirable form of design system, and will draw a conclusion by FY 2005.

It is appropriate to continue, while reviewing the overall design system, discussing a desirable scope of subject matters to be protected including screen page designs and an appropriate way of protecting such designs, based on the opinions presented in the discussion at the committee.

III Discussion on the Expansion of the Scope of the Effect of a Design Right

1 Background of the Discussion

In the report of the Strategic Design Utilization Study Group (dated June 2003) established within the Manufacturing Industries Bureau of the Ministry of Economy, Trade and Industry, it points out as follows: Consumers have become more severe in appreciating designs and brands, and the gap has been widening between companies that exert their ability to develop highly-creative designs and their established brand names, and those mainly engaged in producing mere imitations of designs and products of others; in light of such situation, the scope of similar designs under a design right should be expanded in order to effectively prevent imitations and encourage the creation of outstanding designs. In Japanese industry, several companies have often manufactured the same type of product, with the tendency to develop, in a short period, a number of products to which designs that are less creative and similar to one another are applied, while trying to acquire a large market share through price competition. The report of the study group expects that such companies that have only followed others will shift their company strategies and place more importance on originality and creativity, so as to produce more attractive products.

In the course of considering a desirable scope of the effect of a design right, the research study committee, while taking into account not only the scope of similar designs but also intellectual creations produced in states in the process from development to marketing of products, extensively discussed what would be a desirable form of design system, which was not constrained by the framework of the existing design system and was suitable for the substance of design protection.

2 Discussion on the Issues to be Reviewed

The committee discussed the following seven issues to be reviewed when expanding the scope of the effect of a design right:

- (1) Protection of designs including the ideas supporting the creation;
- (2) Protection of designs that are highly creative;
- (3) Protection with emphasis on features such as patterns, colors, materials, and quality of materials;
- (4) Protection of a registered design where it is applied to an article that is not similar to the article to which it should be applied;
- (5) Value of creation and misleading/confusion;
- (6) Absolute exclusive right and relative exclusive right;
- (7) Clarification of the methods and standards for judging the similarity of designs

In the discussion of the committee, the members pointed out that current protection was not sufficient in respect of (i) the overall goal of product development, (ii) the atmosphere and features created and provided by the configuration of a product, (iii) the unified elements applicable to all items of a product series or product group, and (iv) the brand image established in the distribution process. The members also pointed out that it was not clear whether the Design Law was intended to protect the fruit at the time of creation or the outcome after sales, and which was more important under the law.

3 Concepts and Methods for Expanding the Scope of the Effect of a Design Right

The scope of the effect of a design right as prescribed under the existing Design Law is based on a registered design that is defined by a specific configuration, and only includes designs that are similar to the registered design. Therefore, the current scope does not broadly protect intellectual creations that are produced in phases in the product development process.

In order to protect intellectual creations that were criticized in the discussion as not being protected sufficiently, it is necessary to change the current perspective, with the aim of protecting intellectual creations according to the phases in the product development process. In this respect, if the scope of protection were shifted from intellectual creations protected under the existing Design Law to those produced in phases nearer to the start of the process (upstream phases), protection would be provided for the creative value of a design, with the emphasis being placed on its conceptual or functional aspects relating to product development. On the other hand, if the scope of protection is shifted from intellectual creations protected under the existing law to those produced in phases nearer to the end of the process (downstream phases), protection would be provided for the ability to distinguish one's products from others and the credit guaranteed by the product.

The research study committee discussed an appropriate scope of the effect of a design right for the purpose of expanding the existing scope, according to the following proposals.

The committee roughly divided intellectual creations produced in phases in the product development process into (1) intellectual creations produced in upstream phases, (2) intellectual creations at the point of completion of product development, and (3) intellectual creations produced in downstream phases, and then categorized them in detail as follows.

(1) Intellectual creations produced at the upstream phases

[1]Category of intellectual creations indicating the

concepts of product development

[2]Category of intellectual creations consisting of compositions for performing new functions and purposes

[3]Category of intellectual creations consisting of parts newly created

[4]Category of intellectual creations including those by which the persons skilled in the art can create the design concerned.

(2) Intellectual creations produced at the point of completion of production development

[5]Category of intellectual creations consisting of abstract authentic impressions

(3) Intellectual creations produced at the downstream phases

[6]Category of intellectual creations forming signs to indicate the ability to distinguish one's product from those of others

Taking variations of these proposed categories into account, the committee discussed to what extent the scope of the effect of a design right should be expanded. The following opinions were presented in the discussion.

(i) Whether to expand the scope of the effect to include the concepts

Acceptance was generally obtained for the proposal of expanding the scope of the effect of a design right to include the category of intellectual creations indicating the concepts of product development, but at the same time, problems were pointed out as to protection of the concepts that were expressed only by words irrespective of the configuration, concern over negative impact of monopoly that might occur in the case where the scope of the effect of a design right included the concepts, and how to apply for design registration in respect of the concepts.

(ii) Protection according to the level of creativity

Some members argued that the scope of a design right should depend on the level of creativity, providing broad protection for highly creative designs while providing narrow protection for designs that were produced by many companies in competitive relationship based on common concepts in the matured industrial fields. It was also argued that the issue of the width of the scope of a design right was an operational issue.

(iii) Designs that the persons skilled in the art can easily create

Some members raised concerns about including, in the scope of a design right, designs that are not created by the creator relating to the design right.

(iv) Other issues in general

Opinions were also presented with respect to other issues in general: a desirable scope of the effect of a design right should not be unified but diversified as appropriate; designs should be protected while also taking into account designs

created by designers that are not indicated on display screens; it might be appropriate to adopt psychological methods when judging the similarity of designs.

IV Discussion on Other Issues

1 Discussion on the Framework of the Design System

It was pointed out that, for the purpose of including intangible designs such as screen page designs in the scope of designs to be protected under the Design Law, we should fundamentally review the design system beyond the framework of the existing system, with respect to the definition of designs, the requirements for granting a design right, the contents of an infringement, and the timing of examination.

In the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property, it is requested that “the GOJ will consider concrete measures to develop an environment for providing products of higher value by creating attractive designs, along with consideration of a desirable form of design system.” In order to establish a design system that encourages the creation of attractive designs, protects intellectual creations as appropriate, and ensures effective and smooth utilization of intellectual property relating to designs, it is necessary to broadly review and discuss the design system as a whole, including the nature of a design right, the time of a design right coming into existence, the scope of designs to be protected, the requirements for protection, the scope of the effect of a design right, and the contents of an infringement

The committee suggested problems and issues from a comprehensive perspective, without focusing on particular issues, concerning the design system as a whole and the framework of the design system, while making reference to designs that were currently protected under other intellectual property laws and frameworks of foreign design systems. The committee thus built a bridge to the review and discussion of the design system to be finished by the end of FY2005.

2 Opinions Heard at the Commission

Important opinions expressed at the commission include: (1) emphasis should be placed on pre-grant examination by the administrative office; (2) there were concerns about the existing design system; (3) the design system should be reviewed while giving due consideration to the substance of a design; and (4) consideration should be given to the value to be protected under the Design Law.

(1) Emphasis should be placed on pre-grant examination by the administrative office

Some users of the existing design system suggested that the advantage of the design system rested in the procedural scheme in which the administrative office should, prior to granting a design right, adjust overlapping product development projects in the industry and confirm the non-existence of infringement of rights of others, by using a certain period of time and at the expense of users. It was also requested that the standards and methods applied by the administrative office for judging whether the requirements for design registration was satisfied should be clearly presented to the parties concerned.

(2) There were concerns about the existing design system

The pre-grant examination by the administrative office under the existing design system was criticized as follows: for the purpose of ensuring efficiency and fairness in the examination, there was no option but to only adopt methods for filing applications for design registration by which it was difficult for individual applicants to state their own opinions on the designs; due to the adjustment conducted through the pre-grant examination, the exercise and utilization of designs rights became rigid.

(3) The design system should be reviewed while giving due consideration to the substance of a design

Designers argued that discussion should be held about a desirable way of protecting not only screen page designs but also designs as a whole, without being constrained by the framework of the existing design system.

(4) Consideration should be given to the value to be protected under the Design Law

A question was raised as to whether the value to be protected under the Design Law was the creation of a design or the distinctiveness of a design.

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