

Industrial Design and its Registration System in Nepal

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General Background:

Generally whenever we purchase the essential goods or articles for our daily life, some of them have attractive appearance of design. Such design will make impression in the eyes of the observer and purchase it. The goods or article with a particular design may sell better than one without design. So it will be profitable to use design to attract consumer for increase the sales. So regarding this type of design which is mostly attracts to consumer can copy by other traders or not. If other traders have make copy as such or partly, is it infringement of design or not. How this type of design has been protected by state and is there any procedure or duty to design owner to protect his design. Which type of design is protectable and which types of design is excluded for design protection. Most of these questions have inspired to write this article to find out their answers.

As well as the study will concentrate to see whatever the related provisions in existing law in Nepal, Whether such law can cover all the aspects or not. The existing provision of design is adequate or not. So study focus in Nepalese context, how far Nepal success to adopt those provisions of design which are being in practice in international community.

What is Design?

Among the various branch of IP, design is another important branch. In fact what is design, the definition of design can't be found even in the international conventions and national legislations, and they do not provide a definition for what is meant by the concept of design. At the most, they provide a non-exhaustive list of examples illustrating what can constitute a design. This lack of formal definition can be justified by the fact that the word is not a legal term as such.¹ Usually, a design is displayed by means of lines, images, configuration and the like. These were created with the objectives of applying it to articles to be manufactured and marketed commercially. Obviously this will make an impression in the eyes of the observer. So the main ingredient of a design is that it should be appealing to the eye.²

The term 'design' has been defined to mean the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article. The article can be either in

two dimensional or three dimensional or in both forms. The term two dimensional or three dimensional must be understood according to its usual meaning.³

- ▲ Two dimensional designs means an arrangement of lines or colours *laid on a flat surface* in order to produce a visual effect e.g. wallpaper, textiles etc.
- ▲ Three dimensional designs means forms which *stands out from a flat surface*. This term is widely understood and relates to any product comprising designs of three dimensions.

The design also needs to be protected under intellectual property framework because much thought, time and expenses may have been incurred in finding or making a design.

According to the definition of Nepalese Act, Design means the form or shape of any article or material manufactured in any manner.⁴ Nepal Law is silent in order to explain the essential elements of design for registration.

Historical Background:

From ancient period, many designs were used which are consisting various features but the concept of protecting it came only in the context of industrial designs. The efforts of the state have been start from 18th century for the protection of industrial designs.

In England, in 1797 first Act for the design protection was enacted and the textile designs have granted the first legal protection. Thereafter they have made several law in 1839, 1842, 1883, 1907, 1949 and now the existing Act for design protection is Copyright, Designs and Patents Act 1988.⁵

Similarly in India, first time in 1859 enacted the provision of such topic, thereafter another Act has enacted in 1872, in 1911 and now the existing Act for design protection is Designs Act 2000 available.

As well as Nepal, has enacted Nepal Patent Design and Trademark Law 1993 B.S. to protect the design. Whether there is no clarity about the functionality of design whether it can be register or not but the scope of design protection is so wider.⁶ Such law has been repealed by present existing Patent Design and Trademark Act 2022 B.S.

Acquisition of Design Right: There are two kinds of design. One is registered design and another is unregistered design.

Unregistered Design: It is not regulatory, it is automatic. The right of unregistered design doesn't fall within convention obligations.⁷ As well as unregistered design is protectable under the copyright but only a limited category of designs are protected by copyright law⁸ and in copyright, registration is not compulsory. So the designer of the design can obtain the right automatically but it must be in common place in its particular field.⁹ In UK, Designer can enjoy his right within 15 years from the end of the calendar year in which, the design was first recorded.¹⁰ There are different provisions according to the provisions of nation to nation.

Registered Design: Such design gets protection through registration. After completion of certain formalities only qualified design can be registered and it can be renewed thereafter. The term of the protection of design is different according to the law of every nation. In UK, the maximum term of protection of design is 25 years from the date of application, 15 years in Nepal and India.

In USA design can be protected through design patent, copyright and configuration trademark (trade dress) also. Functional aspects of the design may also be protected by Utility patent.

In this way, design right can be obtain by various laws through registration and non-registration as above.

Procedures for Obtaining a Design Right in Nepal

To get the protection of design or acquisition right of design, it should be registered in the concerned authority (herein after called Department of Industries or DOI).¹¹ For the registration of design in Nepal, DOI has followed whatever mentioning in existing law even there is not any distinct procedures manual for design registration. Although design is registered under the existing Patent, Design & Trademark Act 2022 & other international conventions/agreements, in which Nepal has membership. Regarding design, Nepal is only the party of Paris convention & TRIPs of WTO (World Trade Organization) besides other agreements like Hague agreement, Locarno agreement are not our concern.

➤ Filing requirements:-

- a. Name of designer: Applicant whether he is the originator or designer or he has received from employer in the course of employment period, should have to mention in application.

- b. Description of design along with four copies of such design, maps & drawing & particular of thereof.¹²
- c. If the design is to be registered in foreign country, applicant wishes to establish date of priority claim, should be required the filing receipt of home country.

➤ **Filing an application:-**

This is the first step to protect the design right. If any person wishes of having the design of any article manufactured or caused to be manufactured by him, he shall submit an application to DOI.¹³ The application should be filling in the prescribed format and there should be description of design along with submission of four copies of such design, maps & drawings as well as prescribed fees.¹⁴ After filling an application in home country, if the applicant wishes to file same design or establish the date of priority claim, he can file the international application of design under Paris Convention. The Paris Convention has facilitated to the applicant by extending time. Applicant can file the application for design in other member country of Paris Conventions within 6 month period & these times shall count or start from the date of filing of the first application. & the day of filing shall not be included in the period.¹⁵ As well As if the last day of the period is an official holiday, the time period shall be extended until the first following working days.¹⁶ After filing the application, it shall forward the process according to their prescribed law.

➤ **Formality Check:**

An application document submitted to the DOI will be checked to see whether it fulfills the necessary procedural and formal requirements. An invitation to correct will be made where necessary documents are missing or required sections have not been filled in.

➤ **Substantive Examination**

After completion of formality check, if it has fulfills the necessary documents prescribed by law, has start for substantive examination. During the examination, DOI check their record whether there is existence of prior application, or registration of the same & DOI examine whether such design will hurt the prestige of individual or institution or adversely affect the public conduct or morality or undermines the national interest.¹⁷ If one of above element is existing in such application DOI has furnish the notice to applicant for further clarification or

refusal of registration. Generally, if the proposed design has not been published or known in the particular field, which will be qualified for registration.

There are some basic elements of design, which are not described in existing law of Nepal, in which bases they can determine whether such design is qualified for registration or not.

➤ **Basic Elements of Design**

i) For Design, there must be features of shape, configuration which are three dimensional and pattern, ornament or composition of lines or colours which are two dimensional, applied to any article.

ii) Design should be appealable to the eye.

In this regard, one the landmark case in *Amp v. Utilux (1972)*, the House of Lords has clarified about the essential elements of design registration. The protection of design is only for the visual appearance of an article so the article must appeal to the eye in the sense of catching or attracting the eye or the finished article should be appealable to and judged solely by the eye.¹⁸ The eye must be the eye of customer on a visual test.¹⁹

iii) Design should be applied to articles. The protection of design which is applied to articles means that garden design, urban planning and architectural design have been excluded from the scope of design protection.²⁰ The article and design must be distinguished from each other although the registration is for an article, protection is for design.²¹

iv) Design must be novel as well as original.²² Design must be new and original for the registrable. Such design shouldn't be published earlier and original means originating from the author of the design. A playing card having new drawings may be consider as new and original one but a design which is a fraudulent or obvious imitation of an existing design will be considered as pirated copy.

➤ **Excluded subject matter of Design:**

All the designs will not qualify for protection, there are some exceptions or excludes from the meaning of design.

i) Methods or principle of construction: This exclusion ensures that protection is only granted to the appearance of articles rather than to the methods or principle of construction.²³ It is not reasonable, sufficient and practicable to provide monopoly right over any method or principle of construction to single individual.

ii) Functional Design: Designs which are functional are not registrable. This exclusion has trying to draw a line between design law which protects the appearance of object and the patent law which is concerned with functional aspects of the design.²⁴

(iii) Immaterial appearance:- There is another exclusion where the appearance of the article is not material, that is, if aesthetic consideration are not normally taken into account to the material extent by persons acquiring or using articles of that description & would not be so taken into account if the design were applied to the article.²⁵

(iv) Illegality or immorality:- Another exclusion is immoral designs & designs contrary to public order. It is depends on the perception of locality.

➤ **Notification of reasons for refusal of registration:-** If the examiner finds any reasons for refusal, DOI may furnish such notice to the applicant, if the design is already been registered in the name of another person for the same design, if the design is against with public moral or the national interest. If DOI have found above circumstances, they will reject the registration & if the registration is already made, may cancel. But before the cancellation, DOI will provide reasonable opportunity to applicant for defense.²⁶

➤ **Written argument \ amendment**

There is not any clear wording about such matter, but it is the common practice in Nepal. After the notification of reasons for refusal, applicant may submit either a written argument against a notification of reasons for refusal or an amendment that would nullify the reasons for refusal.

➤ **Decision of registration:-** If the design has fulfilled all the criteria which are prescribed by law and conventions, DOI will granting the decision for registration of design. After granting the

decision for registration of such design, the applicant should have to pay prescribed fees and thereafter the registration certificate will be issued in the name of applicant.

➤ **Decision of refusal:** If DOI doesn't satisfy by the written argument and an amendment of applicant and can't eliminate the reasons of refusal, they may make decision of refusal or they can deny registering such design.

➤ **Appeal against decision of refusal:** If applicant has any dissatisfaction with the decision of refusal of DOI, he may file appeal against such decision in the Appellate Court within 35 days from the date of decision made.²⁷ The procedure of the Appellate Court for the appeal is prescribed by their specific laws and other current laws.

➤ **Registration (Registration fee payment):-** after getting the decision of registration, applicant should have to pay prescribed registration fees thereafter only the design right shall be established.

➤ **Publication:** It is require to publish the registration of design by DOI for notification to the general peoples.²⁸ If anyone has any objection about such design, he can sue against such design. This publication has also communicated the information to peoples for use and public benefit after its expiration.

➤ **Right over registered design:**

After payment for registration of design to DOI, the right of design has established and can enjoy it within prescribed time period. In this period, he can exclude others & have monopoly right.

Under the existing law of Nepal, the registrant of design can enjoy 5 years from the date of registration and it shall renew for further two terms each period of 5 years.²⁹ He has exclusive right over such design like making, importing, selling, hiring or offering or exposing it for sale or hire and assignment, licensing etc.

ROLE OF INT'L INSTRUMENT FOR DESIGN PROTECTION

Nepal is a member of various international agreements, conventions and treaties regarding in IP regime. Regarding to concerning the design, there are several conventions like Hague agreement for the deposit of industrial design, Locarno agreement for int'l classification of industrial design, Paris convention for protection of industrial property, TRIPs of WTO, in which Nepal is a party of only later convention and agreement. So we are dealing here in sum up what kinds of protection are confers for design in those convention and agreement.

➤ Paris Convention for Protection of Industrial Property 1883

This convention has various provisions regarding the protection of design in the member countries; in Nepal recently the existing law of patent design and trademark act is amendment to include those provisions of conventions as below.

National Treatment: The member country is treated as same own national for the protection of design as well as other forms of IP. Among the member countries, no one shall be discriminating for the protection of design as in legal remedies any infringement of their rights, to enjoy the advantages that their respective law grants. They shall have same protection but whatever the conditions and formalities imposed to nationals should have to fulfill. It is consider that recent amendment has repealed the section 23 of existing law to meet the national treatment concept in Nepal. Consequently all the foreigners including member countries of Paris Convention shall have to pay equal fees as national for registration and so on.

Right of Priority Claim: Any person who has duly filed an application for an industrial design in one of the countries of union, or his successor in title, shall enjoy for the purpose of filing in the other countries, a right of priority during the period of six months from the date of filing of first application is fixed.³⁰ Nepal law has including those provisions of right of priority or priority claim in section 21(C).

➤ TRIPs of WTO

TRIPs of WTO itself is not law but it is general guidelines and framework to make compatible law for the global trade. All the countries should have to make minimum standard of law relating

to IP because nowadays IP is the vehicle for industrialization and global trade. It is the medium for technology transfer & the means for economic development.

TRIPs has adopted the provisions of Paris Convention regarding the design as well as other forms of IP.³¹ Besides that there is provision of MFN treatment in TRIPs. Least developing countries have been given an extension until 1 July 2013 to make compatible law in IP.

CONCLUSION

Generally design is create to make impression or attracts to consumer for particular articles in which the design has been applied, which design right can be obtain by automatically in case of unregistered design. It must be in common place in its particular field. Functional design is not qualified for registered design which will be protected through copyright as unregistered design. Another mode of acquisition right of design is through registration and for the registration the procedures will be based on their statutory law. Design can be register in USA through copyright law, Trademark law and design law as well as functional design can be register as utility patent. In this way, there are unregistered design and registered design and can be obtain the right through copyright for unregistered design and design law for registered design.

There are certain steps to follow the procedures to obtain design right which are in Annex-1. Among the various steps, the substantive examination is the heart of the procedures, within the examination, examiner should have to study whether the basic elements of design is available or not. The existing law doesn't define the term design itself clearly. Such law hasn't emphasized the essential element of design registration; it only adopted the originality concept and silent about the term of novelty as well as others.

In Nepal, neither have any procedural manual or guidelines for design protection. There is not any clear wording about such process or procedures in existing Act although the registration process is going on. Therefore only few numbers of designs has been registered since 7 decades. Similarly the exclusion subject matter of design is also not adequate. There are lackness of exclusions like method or principles of construction, functionality etc. even illegality, immorality, immaterial appearance has been adopted. So Nepalese registration procedure for design is so flexible & weak in the aspect of substantive examination.

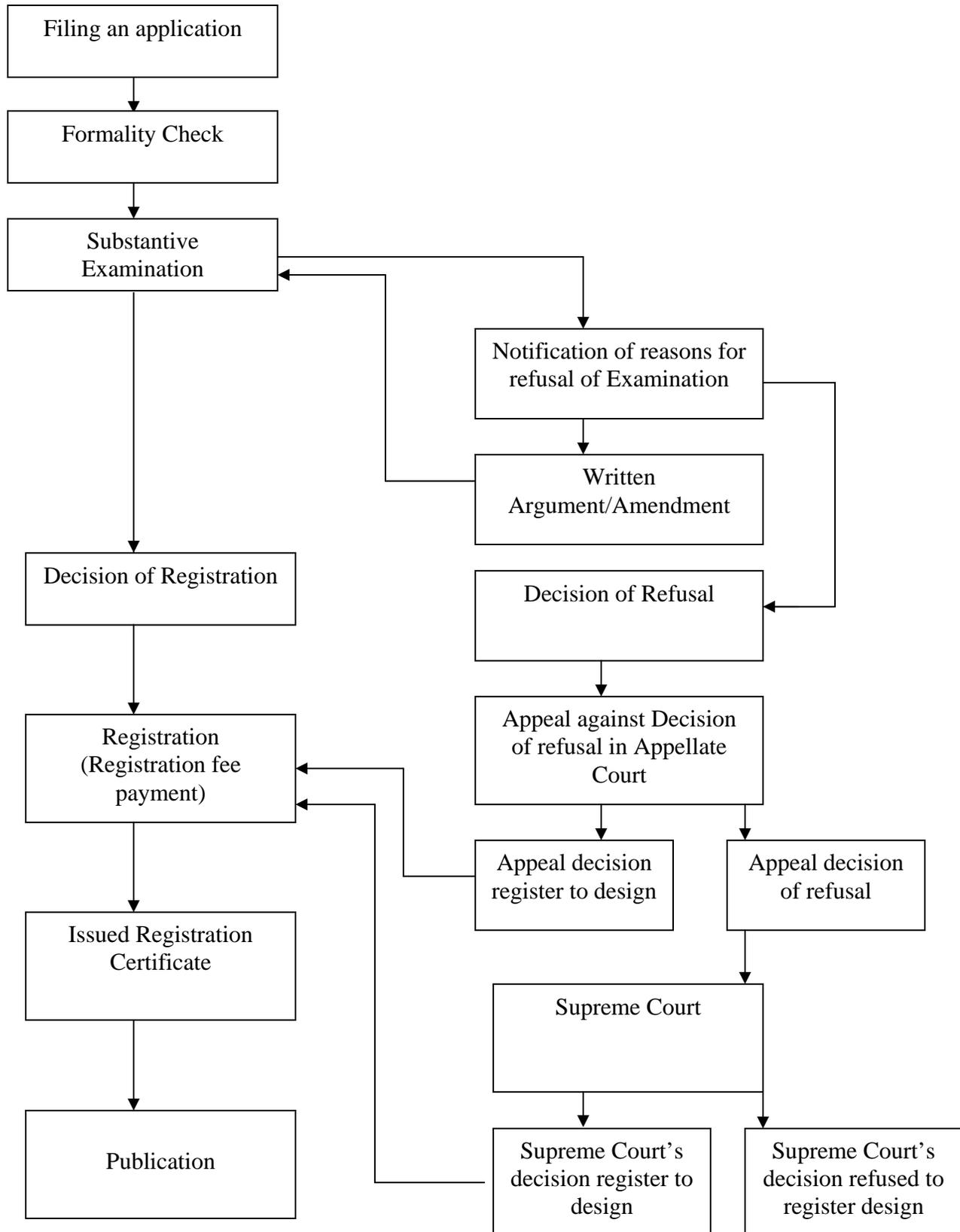
In this way, Nepal should have to do more improvement in design protection as well as intellectual property law. The impact of development of industrialization and globalization,

nowadays it is realized that every law should have compatible with international norms & character, it should not be beyond of international norms and practices.

Through this article, it is recommend to policy makers, administrators, officials is that in design prospects, should have to make procedure manual or guidelines for registration of design. It will be better if it can include its basic principles & protections, terms and conditions, essential elements, exclusions of design etc in existing law of design.

Thank you

Annex-1
PROCEDURES FOR OBTAINING THE DESIGN RIGHT IN NEPAL



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- ¹ Dr. T. Ramakrishna (2003). **Basic Principles and Acquisition of Intellectual Property Rights**; (CIPRA) National Law School of India University, Bangalore India. P 152
- ² Ibid P. 150
- ³ Id. P- 152-153
- ⁴ Section 2(B) of Patent Design and Trademark Act 2022
- ⁵ Supra note 3. P- 151
- ⁶ Definition part of Nepal Patent Design and Trademark Law 1993 (there is not mentioned any section, article for definition part)
- ⁷ Catherine Colston (1998). **Principles of Intellectual Property Law**; Cavendish Publishing Limited, London, Sydney, P- 293
- ⁸ Supra note 1. P- 169
- ⁹ Ibid. P- 168
- ¹⁰ Ibid.
- ¹¹ Section 12 of Patent Design & Trademark Act 2022
- ¹² Section 13 (1) of Patent Design & Trademark Act 2022
- ¹³ Section 13 of Patent Design & Trademark Act 2022
- ¹⁴ Section 13 (2) of Patent Design & Trademark Act 2022
- ¹⁵ Article 4 (C) (1) (2) of Paris Convention for the Protection of Industrial Property
- ¹⁶ Article 4 (C) (3) of Paris Convention for the Protection of Industrial Property
- ¹⁷ Section 14 proviso clause of Patent Design & Trademark Act 2022
- ¹⁸ W.R. Cornish 1996, **Intellectual Property: Patents, Copyrights, Trade marks and Allied Rights**; Third Edition, Sweet and Maxwell Ltd. London, UK. P-487
- ¹⁹ P Narayanan (2001). **Intellectual Property Law**; Eastern Law House: Kolkata/ New Delhi. P-126
- ²⁰ Supra note 1. P- 152
- ²¹ Supra note 7. P-285
- ²² The concepts of novelty in patent law and originality in copyright law are quite distinct with this concept because the designer must have applied some further skill and labour of a draftsmanlike nature.
- ²³ Supra note 20. P- 159
- ²⁴ Ibid.P-160
- ²⁵ Supra note 18. P- 490-491
- ²⁶ Section 14 (3) of Patent Design & Trademark Act 2022
- ²⁷ Section 27 of Patent Design & Trademark Act 2022
- ²⁸ Section 21(A) of Patent Design & Trademark Act 2022
- ²⁹ Section 23 (B) (3) of Patent Design & Trademark Act 2022
- ³⁰ Article 4(A)(1), 4 (C) (1) (2) of Paris Convention for Protection of Industrial Property
- ³¹ Article 2 (1) of TRIPs