



Isle of Man

Ellan Vannin

AT 9 of 1991

DESIGN RIGHT ACT 1991



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<i>Received Royal Assent:</i>	<i>18 June 1991</i>
<i>Passed:</i>	<i>18 June 1991</i>
<i>Commenced:</i>	<i>1 July 1992</i>

AN ACT to confer a design right in original designs.

PART I – DESIGN RIGHT IN ORIGINAL DESIGNS

Introductory

1 Design right

[P1988/48/213]

- (1) Design right is a property right which subsists in accordance with this Act in an original design.
- (2) In this Act “**design**” means the design of the shape or configuration (whether internal or external) of the whole or part of an article.¹
- (3) Design right does not subsist in —
 - (a) a method or principle of construction,
 - (b) features of shape or configuration of an article, which —
 - (i) enable the article to be connected to, or placed in, around or against, another article so that either article may perform its function, or
 - (ii) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part, or
 - (c) surface decoration.
- (4) A design is not “**original**” for the purposes of this Act if it is commonplace in a qualifying country in the design field in question at the time of its creation; and

“**qualifying country**” has the meaning given in section 5(2).²

- (5) Design right subsists in a design only if the design qualifies for design right protection by reference to —
- (a) the designer or the person by whom the designer employed (see sections 6 and 7), or³
 - (b) the person by whom and country in which articles made to the design were first marketed (see section 8),
- or in accordance with any order under section 9 (power to make further provision with respect to qualification).
- (6) Design right does not subsist unless and until the design has been recorded in a design document or an article has been made to the design.
- (7) Design right does not subsist in a design which was so recorded, or to which an article was made, before the commencement of this Act.

2 The designer

[P1988/48/214]

- (1) In this Act the “**designer**”, in relation to a design, means the person who creates it.
- (2) In the case of a computer-generated design the person by whom the arrangements necessary for the creation of the design are undertaken shall be taken to be the designer.

3 Ownership of design right

[P1988/48/215]

- (1) The designer is the first owner of any design right in a design which is not created in the course of employment.⁴
- (2) [Repealed]⁵
- (3) Where a design is created by an employee in the course of his employment, his employer is the first owner of any design right in the design.⁶
- (4) If a design qualifies for design right protection by virtue of section 8 (qualification by reference to first marketing of articles made to the design), the above rules do not apply and the person by whom the articles in question are marketed is the first owner of the design right.

4 Duration of design right

[P1988/48/216]

- (1) Design right expires —
- (a) 15 years from the end of the calendar year in which the design was first recorded in a design document or an article was first made to the design, whichever first occurred, or

- (b) if articles made to the design are made available for sale or hire within 5 years from the end of that calendar year, 10 years from the end of the calendar year in which that first occurred.
- (2) The reference in subsection (1) to articles being made available for sale or hire is to their being made so available anywhere in the world by or with the licence of the design right owner.

Qualification for design right protection

5 Qualifying individuals and qualifying persons

[P1988/48/217]

- (1) In this Act —

“**qualifying individual**” [Repealed]⁷

“**qualifying person**” means —

- (a) an individual habitually resident in a qualifying country, or
 - (b) a body corporate or other body having legal personality which —
 - (i) is formed under the law of the Island or another qualifying country; and
 - (ii) has in any qualifying country a place of business at which substantial business activity is carried on.⁸
- (2) In this section “qualifying country” means —
- (a) the Island, or
 - (b) to the extent that an order under section 40 so provides, a country designated under that section as enjoying reciprocal protection.
- (3) [Repealed]⁹
- (4) In determining for the purpose of the definition of “qualifying person” whether substantial business activity is carried on at a place of business in any country, no account shall be taken of dealings in goods which are at all material times outside that country.

6 Qualification by reference to designer

[P1988/48/218]

- (1) This section applies to a design which is not created in the course of employment.¹⁰
- (2) A design to which this section applies qualifies for design right protection if the designer is a qualifying person.¹¹
- (3) A joint design to which this section applies qualifies for design right protection if any of the designers is a qualifying person.¹²

- (4) Where a joint design qualifies for design right protection under this section, only those designers who are qualifying persons are entitled to design right under section 3(1) (first ownership of design right: entitlement of designer).¹³

7 Qualification by reference to employer¹⁴

[P1988/48/219]

- (1) A design qualifies for design right protection if it is created in the course of employment with, a qualifying person.¹⁵
- (2) In the case of joint employment a design qualifies for design right protection if any of the employers is a qualifying person.¹⁶
- (3) Where a design which is created in the course of joint employment qualifies for design right protection under this section, only those employers who are qualifying persons are entitled to design right under section 3(3) (first ownership of design right: entitlement of employer).¹⁷

8 Qualifications by reference to first marketing

[P1988/48/220]

- (1) A design which does not qualify for design right protection under section 6 or 7 (qualification by reference to designer or employer) qualifies for design right protection if the first marketing of articles made to the design —
 - (a) is by a qualifying person, and¹⁸
 - (b) takes place in the Island.¹⁹
- (2) If the first marketing of articles made to the design is done jointly by 2 or more persons, the design qualifies for design right protection if any of those persons meets the requirement specified in subsection (1)(a).²⁰
- (3) In such a case only the persons who meet that requirement are entitled to design right under section 3(4) (first ownership of design right: entitlement of first marketer of articles made to the design).²¹
- (4) [Repealed]²²

9 Power to make further provision as to qualification

[P1988/48/221]

- (1) The Council of Ministers may, with a view to fulfilling an international obligation of the United Kingdom which extends to the Island, by order provide that a design qualifies for design right protection if such requirements as are specified in the order are met.²³
- (2) An order may make different provision for different descriptions of design or article; and may make such consequential modifications of the

operation of section 3 (ownership of design right) and sections 6 to 8 (other means of qualification) as appear to the Council of Ministers to be appropriate.²⁴

Dealings with design right

10 Assignment and licences

[P1988/48/222]

- (1) Design right is transmissible by assignment, by testamentary disposition or by operation of law, as personal or moveable property.
- (2) An assignment or other transmission of design right may be partial, that is, limited so as to apply —
 - (a) to one or more, but not all, of the things the design right owner has the exclusive right to do;
 - (b) to part, but not the whole, of the period for which the right is to subsist.
- (3) An assignment of design right is not effective unless it is in writing signed by or on behalf of the assignor.
- (4) A licence granted by the owner of design right is binding on every successor in title to his interest in the right, except a purchaser in good faith for valuable consideration and without notice (actual or constructive) of the licence or a person deriving title from such a purchaser; and references in this Act to doing anything with, or without, the licence of the design right owner shall be construed accordingly.

11 Prospective ownership of design right

[P1988/48/223]

- (1) Where by an agreement made in relation to future design right, and signed by or on behalf of the prospective owner of the design right, the prospective owner purports to assign the future design right (wholly or partially) to another person, then if, on the right coming into existence, the assignee or another person claiming under him would be entitled as against all other persons to require the right to be vested in him, the right shall vest in him by virtue of this section.
- (2) In this section —

“future design right” means design right which will or may come into existence in respect of a future design or class of designs or on the occurrence of a future event; and

“prospective owner” shall be construed accordingly, and includes a person who is prospectively entitled to design right by virtue of such an agreement as is mentioned in subsection (1).

- (3) A licence granted by a prospective owner of design right is binding on every successor in title to his interest (or prospective interest) in the right, except a purchaser in good faith for valuable consideration and without notice (actual or constructive) of the licence or a person deriving title from such a purchaser; and references in this Act to doing anything with, or without, the licence of the design right owner shall be construed accordingly.

12 Assignment of right in registered design presumed to carry with it design right

[P1988/48/224]

Where a design consisting of a design in which design right subsists is registered under the Registered Designs Act 1949 (an Act of Parliament) and the proprietor of the registered design is also the design right owner, an assignment of the right in the registered design shall be taken to be also an assignment of the design right, unless a contrary intention appears.

13 Exclusive licences

[P1988/48/225]

- (1) In this Act an “**exclusive licence**” means a licence in writing signed by or on behalf of the design right owner authorising the licensee to the exclusion of all other persons, including the person granting the licence, to exercise a right which would otherwise be exercisable exclusively by the design right owner.
- (2) The licensee under an exclusive licence has the same rights against any successor in title who is bound by the licence as he has against the person granting the licence.

PART II – RIGHTS OF DESIGN RIGHT OWNER AND REMEDIES

Infringement of design right

14 Primary infringement of design right

[P1988/48/226]

- (1) The owner of design right in a design has the exclusive right to reproduce the design for commercial purposes —
- (a) by making articles to that design, or
 - (b) by making a design document recording the design for the purpose of enabling such articles to be made.
- (2) Reproduction of a design by making articles to the design means copying the design so as to produce articles exactly or substantially to that design,

and references in this Act to making articles to a design shall be construed accordingly.

- (3) Design right is infringed by a person who without the licence of the design right owner does, or authorises another to do, anything which by virtue of this section is the exclusive right of the design right owner.
- (4) For the purposes of this section reproduction may be direct or indirect, and it is immaterial whether any intervening acts themselves infringe the design right.
- (5) This section has effect subject to the provisions of Part III (exceptions to rights of design right owner).

15 Secondary infringement: importing or dealing with infringing article

[P1988/48/227]

- (1) Design right is infringed by a person who, without the licence of the design right owner —
 - (a) imports into the Island for commercial purposes, or
 - (b) has in his possession for commercial purposes, or
 - (c) sells, lets for hire, or offers or exposes for sale or hire, in the course of a business,an article which is, and which he knows or has reason to believe is, an infringing article.
- (2) This section has effect subject to the provisions of Part III (exceptions to rights of design right owner).

16 Meaning of “infringing article”

[P1988/48/228]

- (1) In this Act “**infringing article**”, in relation to a design, shall be construed in accordance with this section.
- (2) An article is an infringing article if its making to that design was an infringement of design right in the design.
- (3) An article is also an infringing article if —
 - (a) it has been or is proposed to be imported into the Island, and
 - (b) its making to that design in the Island would have been an infringement of design right in the design or a breach of an exclusive licence agreement relating to the design.
- (4) Where it is shown that an article is made to a design in which design right subsists or has subsisted at any time, it shall be presumed until the contrary is proved that the article was made at a time when design right subsisted.

- (5) Nothing in subsection (3) shall be construed as applying to an article which may lawfully be imported into the Island by virtue of anything which forms part of retained EU law.²⁵
- (6) The expression “infringing article” does not include a design document, notwithstanding that its making was or would have been an infringement of design right.

Remedies for infringement

17 Rights and remedies of design right owner

[P1988/48/229]

- (1) An infringement of design right is actionable by the design right owner.
- (2) In an action for infringement of design right all such relief by way of damages, injunctions, accounts or otherwise is available to the plaintiff as is available in respect of the infringement of any other property right.
- (2A) Where in an action for infringement of design right it is shown that the defendant knew, or had reason to believe, that he was committing an infringement, the damages awarded to the claimant shall be appropriate to the actual prejudice he suffered as a result of the infringement.²⁶
- (2B) The High Court —
 - (a) in awarding such damages shall take into account all appropriate aspects, including in particular —
 - (i) the negative economic consequences, including any lost profits, which the claimant has suffered;
 - (ii) any unfair profits made by the defendant; and
 - (iii) elements other than economic factors, including the moral prejudice caused to the claimant by the infringement; or
 - (b) may where appropriate award such damages on the basis of the royalties or fees which would have been due had the defendant obtained a licence.²⁷
- (3) Subject to subsections (2A) and (2B), the High Court may in an action for infringement of design right, having regard to all the circumstances and in particular to —
 - (a) the flagrancy of the infringement, and
 - (b) any benefit accruing to the defendant by reason of the infringement,award such additional damages as the justice of the case may require.²⁸
- (4) This section has effect subject to section 20 (innocent infringement).

18 Order for delivery up

[P1988/48/230]

- (1) Where a person —
 - (a) has in his possession, custody or control for commercial purposes an infringing article, or
 - (b) has in his possession, custody or control anything specifically designed or adapted for making articles to a particular design, knowing or having reason to believe that it has been or is to be used to make an infringing article,

the owner of the design right in the design in question may apply to the High Court for an order that the infringing article or other thing be delivered up to him or to such other person as the court may direct.

- (2) An application shall not be made after the end of the period specified in the following provisions of this section; and no order shall be made unless the court also makes, or it appears to the court that there are grounds for making, an order under section 19 (order as to disposal of infringing article, etc.).
- (3) An application for an order under this section may not be made after the end of the period of 6 years from the date on which the article or thing in question was made, subject to subsection (4).
- (4) If during the whole or any part of that period the design right owner —
 - (a) is under disability, or
 - (b) is prevented by fraud or concealment from discovering the facts entitling him to apply for an order,an application may be made at any time before the end of the period of 6 years from the date on which he ceased to be under a disability or, as the case may be, could with reasonable diligence have discovered those facts.
- (5) In subsection (4) “disability” has the same meaning as in the *Limitation Act 1984*.
- (6) A person to whom an infringing article or other thing is delivered up in pursuance of an order under this section shall, if an order under section 19 is not made, retain it pending the making of an order, or the decision not to make an order, under that section.
- (7) Nothing in this section affects any other power of the High Court.

19 Order as to disposal of infringing articles, etc

[P1988/48/231]

- (1) An application may be made to the High Court for an order that an infringing article or other thing delivered up in pursuance of an order under section 18 shall be —
 - (a) forfeited to the design right owner, or

- (b) destroyed or otherwise dealt with as the court may think fit, or for a decision that no such order should be made.
- (2) In considering what order (if any) should be made, the court shall consider whether other remedies available in an action for infringement of design right would be adequate to compensate the design right owner and to protect his interests.
- (3) Provision shall be made by rules of court as to the service of notice on persons having an interest in the article or other thing, and any such person is entitled —
- (a) to appear in proceedings for an order under this section, whether or not he was served with notice, and
- (b) to appeal against any order made, whether or not he appeared, and an order shall not take effect until the end of the period within which notice of an appeal may be given or, if before the end of that period notice of appeal is duly given, until the final determination or abandonment of the proceedings on the appeal.
- (4) Where there is more than one person interested in an article or other thing, the court shall make such order as it thinks just and may in particular direct that the thing be sold, or otherwise dealt with, and the proceeds divided.
- (5) If the court decides that no order should be made under this section the person in whose possession, custody or control the article or other thing was before being delivered up or seized is entitled to its return.
- (6) References in this section to a person having an interest in an article or other thing include any person in whose favour an order could be made in respect of it under this section or under section 113 of the *Copyright Act 1991*, section 26 of the *Performer's Protection Act 1996* or section 19 of the *Trade Marks Act 1994* (an Act of Parliament) (which make similar provision in relation to infringement of copyright, rights in performances and trade marks).²⁹

20 Innocent infringement

[P1988/48/233]

- (1) Where in an action for infringement of design right brought by virtue of section 14 (primary infringement) it is shown that at the time of the infringement the defendant did not know, and had no reason to believe, that design right subsisted in the design to which the action relates, the plaintiff is not entitled to damages against him, but without prejudice to any other remedy.
- (2) Where in an action for infringement of design right brought by virtue of section 15 (secondary infringement) a defendant shows that the infringing article was innocently acquired by him or a predecessor in title of his, the

only remedy available against him in respect of the infringement is damages not exceeding a reasonable royalty in respect of the act complained of.

- (3) In subsection (2) “innocently acquired” means that the person acquiring the article did not know and had no reason to believe that it was an infringing article.

21 Rights and remedies of exclusive licensee

[P1988/48/234]

- (1) An exclusive licensee has, except against the design right owner, the same rights and remedies in respect of matters occurring after the grant of the licence as if the licence had been an assignment.
- (2) His rights and remedies are concurrent with those of the design right owner; and references in the relevant provisions of this Act to the design right owner shall be construed accordingly.
- (3) In an action brought by an exclusive licensee by virtue of this section a defendant may avail himself of any defence which would have been available to him if the action had been brought by the design right owner.

22 Exercise of concurrent rights

[P1988/48/235]

- (1) Where an action for infringement of design right brought by the design right owner or an exclusive licensee relates (wholly or partly) to an infringement in respect of which they have concurrent rights of action, the design right owner or, as the case may be, the exclusive licensee may not, without the leave of the court, proceed with the action unless the other is either joined as a plaintiff or added as a defendant.
- (2) A design right owner or exclusive licensee who is added as a defendant in pursuance of subsection (1) is not liable for any costs in the action unless he takes part in the proceedings.
- (3) The above provisions do not affect the granting of interlocutory relief on the application of the design right owner or an exclusive licensee.
- (4) Where an action for infringement of design right is brought which relates (wholly or partly) to an infringement in respect of which the design right owner and an exclusive licensee have concurrent rights of action —
 - (a) the court shall, in assessing damages, take into account —
 - (i) the terms of the licence, and
 - (ii) any pecuniary remedy already awarded or available to either of them in respect of the infringement;

- (b) no account of profits shall be directed if an award of damages has been made, or an account of profits has been directed, in favour of the other of them in respect of the infringement; and
- (c) the court shall if an account of profits is directed apportion the profits between them as the court considers just, subject to any agreement between them;

and these provisions apply whether or not the design right owner and the exclusive licensee are both parties to the action.

- (5) The design right owner shall notify any exclusive licensee having concurrent rights before applying for an order under section 18 (order for delivery up of infringing article, etc.); and the court may on the application of the licensee make such order under that section as it thinks fit having regard to the terms of the licence.

PART III – EXCEPTIONS TO RIGHTS OF DESIGN RIGHT OWNERS

Infringement of copyright

23 Infringement of copyright

[P1988/48/236]

Where copyright subsists in a work which consists of or includes a design in which design right subsists, it is not an infringement of design right in the design to do anything which is an infringement of the copyright in that work.

Availability of licences of right

24 Licences available in last 5 years of design right

[P1988/48/237]

- (1) Any person is entitled as of right to a licence to do in the last 5 years of the design right term any act which would otherwise infringe the design right.
- (2) The terms of the licence shall, in default of agreement, be settled by the Isle of Man Copyright Tribunal (in this Act referred to as “**the Tribunal**”).
- (3) The Council of Ministers may if it appears to it necessary in order to –
 - (a) comply with an international obligation of the United Kingdom which extends to the Island, or
 - (b) secure or maintain reciprocal protection for Manx designs in other countries,

by order exclude from the operation of subsection (1) designs of a description specified in the order or designs applied to articles of a description so specified.³⁰

25 Undertaking to take licence of right in infringement proceedings

[P1988/48/239]

- (1) If in proceedings for infringement of design right in a design in respect of which a licence is available as of right under section 24 the defendant undertakes to take a licence on such terms as may be agreed or, in default of agreement, settled by the Tribunal under that section —
 - (a) no injunction shall be granted against him,
 - (b) no order for delivery up shall be made under section 18, and
 - (c) the amount recoverable against him by way of damages or on an account of profits shall not exceed double the amount which would have been payable by him as licensee if such a licence on those terms had been granted before the earliest infringement.
- (2) An undertaking may be given at any time before final order in the proceedings, without any admission of liability.
- (3) Nothing in this section affects the remedies available in respect of an infringement committed before licences of right were available.

Crown use of designs

26 Crown use of designs

[P1988/48/240]

- (1) A Department, a government department of the United Kingdom, or a person authorised in writing by a Department or such a government department, may without the licence of the design right owner —
 - (a) do anything for the purpose of supplying articles for the services of the Crown, or
 - (b) dispose of articles no longer required for the services of the Crown; and nothing done by virtue of this section infringes the design right.
- (2) References in this Act to “**the services of the Crown**” are to —
 - (a) the defence of the British Islands,
 - (b) foreign defence purposes, and
 - (c) health service purposes.
- (3) The reference to the supply of articles for “foreign defence purposes” is to their supply —

- (a) for the defence of a country outside the British Islands in pursuance of an agreement or arrangement to which the government of that country and the government of the United Kingdom are parties; or
 - (b) for use by armed forces operating in pursuance of a resolution of the United Nations or one of its organs.
- (4) The reference to the supply of articles for “health service purposes” are to their supply for the purpose of providing —
- (a) general pharmaceutical services,³¹
 - (b) general medical services, or
 - (c) general dental services,
- that is, services of those kinds under the *National Health Service Act 2001*.³²
- (5) In this Act —
- “**Crown use**”, in relation to a design, means the doing of anything by virtue of this section which would otherwise be an infringement of design right in the design; and
- “**the department concerned**”, in relation to such use, means the Department, or government department of the United Kingdom, by whom or on whose authority the act was done.
- (6) The authority of a Department, or a government department of the United Kingdom, in respect of Crown use of a design may be given to a person either before or after the use and whether or not he is authorised, directly or indirectly, by the design right owner to do anything in relation to the design.
- (7) A person acquiring anything sold in the exercise of powers conferred by this section, and any person claiming under him, may deal with it in the same manner as if the design right were held on behalf of the Crown.

27 Settlement of terms for Crown use

[P1988/48/241]

- (1) Where Crown use is made of a design, the department concerned shall —
- (a) notify the design right owner as soon as practicable, and
 - (b) give him such information as to the extent of the use as he may from time to time require,
- unless it appears to the department that it would be contrary to the public interest to do so or the identity of the design right owner cannot be ascertained on reasonable inquiry.
- (2) Crown use of a design shall be on such terms as, either before or after the use, are agreed between the department concerned and the design right owner with the approval of the Treasury or, in default of agreement, are determined by the High Court.

- (3) Where the identity of the design right owner cannot be ascertained on reasonable inquiry, the department concerned may apply to the High Court who may order that no royalty or other sum shall be payable in respect of Crown use of the design until the owner agrees terms with the department concerned or refers the matter to the court for determination.

28 Rights of third parties in case of Crown use

[P1988/48/242]

- (1) The provisions of any licence, assignment or agreement made between the design right owner (or anyone deriving title from him or from whom he derives title) and any person other than a Department or a government department of the United Kingdom are of no effect in relation to Crown use of a design, or any act incidental to Crown use, so far as they —
 - (a) restrict or regulate anything done in relation to the design, or the use of any model, document or other information relating to it, or
 - (b) provide for the making of payments in respect of, or calculated by reference to such use,

and the copying or issuing to the public of copies of any such model or document in connection with the thing done, or any such use, shall be deemed not to be an infringement of any copyright in the model or document.

- (2) Subsection (1) shall not be construed as authorising the disclosure of any such model, document or information in contravention of the licence, assignment or agreement.
- (3) Where an exclusive licence is in force in respect of the design —
 - (a) if the licence was granted for royalties —
 - (i) any agreement between the design right owner and a Department or government department of the United Kingdom under section 27 (settlement of terms for Crown use) requires the consent of the licensee, and
 - (ii) the licensee is entitled to recover from the design right owner such part of the payment for Crown use as may be agreed between them or, in default of agreement, determined by the High Court;
 - (b) if the licence was granted otherwise than for royalties —
 - (i) section 27 applies in relation to anything done which but for section 26 (Crown use) and subsection (1) would be an infringement of the rights of the licensee with the substitution for references to the design right owner of references to the licensee, and
 - (ii) section 27 does not apply in relation to anything done by the licensee by virtue of an authority given under section 26.

- (4) Where the design right has been assigned to the design right owner in consideration of royalties —
- (a) section 27 applies in relation to Crown use of the design as if the references to the design right owner included the assignor, and any payment for Crown use shall be divided between them in such proportion as may be agreed or, in default of agreement, determined by the High Court; and
 - (b) section 27 applies in relation to any act incidental to Crown use as it applies in relation to Crown use of the design.
- (5) Where any model, document or other information relating to a design is used in connection with Crown use of the design, or any act incidental to Crown use, section 27 applies to the use of the model, document or other information with the substitution for the references to the design right owner of references to the person entitled to the benefit of any provision of an agreement rendered inoperative by subsection (1).
- (6) In this section —
- “act incidental to Crown use” means anything done for the services of the Crown to the order of a Department or a government department of the United Kingdom by the design right owner in respect of a design;
- “payment for Crown use” means such amount as is payable by the department concerned by virtue of section 27; and
- “royalties” includes any benefit determined by reference to the use of the design.

29 Crown use: compensation for loss of profit

[P1988/48/243]

- (1) Where Crown use is made of a design, the department concerned shall pay —
- (a) to the design right owner, or
 - (b) if there is an exclusive licence in force in respect of the design, to the exclusive licensee,
- compensation for any loss resulting from his not being awarded a contract to supply the articles made to the design.
- (2) Compensation is payable only to the extent that such a contract could have been fulfilled from his existing manufacturing capacity; but is payable notwithstanding the existence of circumstances rendering him ineligible for the award of such a contract.
- (3) In determining the loss, regard shall be had to the profit which would have been made on such a contract and to the extent to which any manufacturing capacity was under-used.

- (4) No compensation is payable in respect of any failure to secure contracts for the supply of articles made to the design otherwise than for the services of the Crown.
- (5) The amount payable shall, if not agreed between the design right owner or licensee and the department concerned with the approval of the Treasury, be determined by the High Court on a reference under section 37; and it is in addition to any amount payable under section 27 or 28.

30 Special provision for Crown use during emergency

[P1988/48/244]

- (1) During a period of emergency the powers exercisable in relation to a design by virtue of section 26 (Crown use) include power to do any act which would otherwise be an infringement of design right for any purpose which appears to the department concerned necessary or expedient —
 - (a) for the efficient prosecution of any war in which Her Majesty may be engaged;
 - (b) for the maintenance of supplies and services essential to the life of the community;
 - (c) for securing a sufficiency of supplies and services essential to the well-being of the community;
 - (d) for promoting the productivity of industry, commerce and agriculture;
 - (e) for fostering and directing exports and reducing imports, or imports of any classes, from all or any countries and for redressing the balance of trade;
 - (f) generally for ensuring that the whole resources of the community are available for use, and are used, in a manner best calculated to serve the interests of the community; or
 - (g) for assisting the relief of suffering and the restoration and distribution of essential supplies and services in any country outside the Island which is in grave distress as the result of war.
- (2) References in this Act to the services of the Crown include, as respects a period of emergency, those purposes; and references to “**Crown use**” include any act which would apart from this section be an infringement of design right.
- (3) In this section “period of emergency” means a period beginning with such date as may be declared by order of the Governor in Council to be the beginning, and ending with such date as may be so declared to be the end, of a period of emergency for the purposes of this section.

*Miscellaneous*³³**30A Exception for private acts, experiments and teaching**

Design right is not infringed by —

- (a) an act which is done privately and for purposes which are not commercial;
- (b) an act which is done for experimental purposes; or
- (c) an act of reproduction for teaching purposes or for the purpose of making citations provided that —
 - (i) the act of reproduction is compatible with fair trade practice and does not unduly prejudice the normal exploitation of the design; and
 - (ii) mention is made of the source.³⁴

30B Exception for overseas ships and aircraft

Design right is not infringed by —

- (a) the use of equipment on ships or aircraft which are registered in another country but which are temporarily in the Island;
- (b) the importation into the Island of spare parts or accessories for the purpose of repairing such ships or aircraft; or
- (c) the carrying out of repairs on such ships or aircraft.³⁵

*General***31 Powers to provide for further exceptions**

[P1988/48/245]

The Council of Ministers may if it appears to it necessary in order —

- (a) to comply with an international obligation of the United Kingdom which extends to the Island, or
- (b) to secure or maintain reciprocal protection for Manx designs in other countries,

by order provide that acts of a description specified in the order do not infringe design right.³⁶

PART IV – JURISDICTION OF THE TRIBUNAL AND THE COURT

Jurisdiction of the Tribunal

32 Jurisdiction to decide matters relating to design right

[P1988/48/246]

- (1) A party to a dispute as to any of the following matters may refer the dispute to the Tribunal for its decision –
 - (a) the subsistence of design right,
 - (b) the term of design right, or
 - (c) the identity of the person in whom design right first vested;and the Tribunal's decision on the reference is binding on the parties to the dispute.
- (2) No other court or tribunal shall decide any such matter except –
 - (a) on an appeal or reference from the Tribunal,
 - (b) in infringement or other proceedings in which the issue arises incidentally, or
 - (c) in proceedings brought with the agreement of the parties or the leave of the Tribunal.
- (3) The Tribunal has jurisdiction to decide any incidental question of fact or law arising in the course of a reference under this section.

33 Application to settle terms of licence of right

[P1988/48/247]

- (1) A person requiring a licence which is available as of right by virtue of section 24 (licences available in last 5 years of design right) may apply to the Tribunal to settle the terms of the licence.
- (2) No application for the settlement of the terms of a licence available by virtue of section 24 may be made earlier than one year before the earliest date on which the licence may take effect under that section.
- (3) The terms of a licence settled by the Tribunal shall authorise the licensee to do everything which would be an infringement of the design right in the absence of a licence.
- (4) In settling the terms of a licence the Tribunal shall have regard to such factors as may be prescribed by the Department by order.
- (5) Where the terms of a licence are settled by the Tribunal, the licence has effect –

- (a) in the case of an application made before the earliest date on which the licence may take effect under section 24, from that date;
- (b) in any other case, from the date on which the application to the Tribunal was made.

34 Settlement of terms where design right owner unknown

[P1988/48/248]

- (1) This section applies where a person making an application under section 33 (settlement of terms of licence of right) is unable on reasonable inquiry to discover the identity of the design right owner.
- (2) The Tribunal may in settling the terms of the licence order that the licence shall be free of any obligation as to royalties or other payments.
- (3) If such an order is made the design right owner may apply to the Tribunal to vary the terms of the licence with effect from the date on which his application is made.
- (4) If the terms of a licence are settled by the Tribunal and it is subsequently established that a licence was not available as of right, the licensee shall not be liable in damages for, or for an account of profits in respect of, anything done before he was aware of any claim by the design right owner that a licence was not available.

35 Rules, appeals, etc

- (1) Sections 145 to 147 (rules, costs, orders and appeals) of the *Copyright Act 1991* apply to proceedings before the Tribunal under this Act.
- (2) Rules referred to in subsection (1) of the said section 145 may, in particular, make provision for the appointment of advisers to assist the Tribunal in proceedings under this Act.³⁷

References to the court

36 Reference of design right matters

[P1988/48/251]

- (1) In any proceedings before it under Section 32 (reference of matter relating to design right), the Tribunal may at any time order the whole proceedings or any question or issue (whether of fact or law) to be referred, on such terms as it may direct, to the High Court.
- (2) The Tribunal shall make such an order if the parties to the proceedings agree that it should do so.
- (3) On a reference under this section the court may exercise any power available to the Tribunal by virtue of this Act as respects the matter

referred to it and, following its determination, may refer any matter back to the Tribunal.

37 Reference of disputes relating to Crown use

[P1988/48/252]

- (1) A dispute as to any matter which falls to be determined by the court in default of agreement under —
 - (a) section 27 (settlement of terms for Crown use), or
 - (b) section 28 (rights of third parties in case of Crown use), or
 - (c) section 29 (Crown use: compensation for loss of profit),may be referred by any party to the dispute to the High Court.
- (2) In determining a dispute between a Department or a government department of the United Kingdom and any person as to the terms for Crown use of a design the court shall have regard to —
 - (a) any sums which that person or a person from whom he derives title has received or is entitled to receive, directly or indirectly, from any Department or government department of the United Kingdom in respect of the design; and
 - (b) whether that person or a person from whom he derives title has in the court's opinion without reasonable cause failed to comply with a request of the Department or government department for the use of the design on reasonable terms.
- (3) One of 2 or more joint owners of design right may, without the concurrence of the others, refer a dispute to the High Court under this section, but shall not do so unless the others are made parties; and none of those others is liable for any costs unless he takes part in the proceedings.
- (4) Where the consent of an exclusive licensee is required by section 28(3)(a)(i) to the settlement by agreement of the terms for Crown use of a design, a determination by the High Court of the amount of any payment to be made for such use is of no effect unless the licensee has been notified of the reference and given an opportunity to be heard.
- (5) On the reference of a dispute as to the amount recoverable as mentioned in section 28(3)(a)(ii) (right of exclusive licensee to recover part of amount payable to design right owner) the High Court shall determine what is just having regard to any expenditure incurred by the licensee —
 - (a) in developing the design, or
 - (b) in making payments to the design right owner in consideration of the licence (other than royalties or other payments determined by reference to the use of the design).

PART V – MISCELLANEOUS AND GENERAL

Miscellaneous

38 Remedy for groundless threats of infringement proceedings

[P1988/48/253]

- (1) Where a person threatens another person with proceedings for infringement of design right, a person aggrieved by the threats may bring an action against him claiming –
 - (a) a declaration to the effect that the threats are unjustifiable;
 - (b) an injunction against the continuance of the threats;
 - (c) damages in respect of any loss which he has sustained by the threats.
- (2) If the plaintiff proves that the threats were made and that he is a person aggrieved by them, he is entitled to the relief claimed unless the defendant shows that the acts in respect of which proceedings were threatened did constitute, or if done would have constituted, an infringement of the design right concerned.
- (3) Proceedings may not be brought under this section in respect of a threat to bring proceedings for an infringement alleged to consist of making or importing anything.
- (4) Mere notification that a design is protected by design right does not constitute a threat of proceedings for the purposes of this section.

39 Licensee under licence of right not to claim connection with design right owner

[P1988/48/254]

- (1) A person who has a licence in respect of design by virtue of section 24 (licences of right) shall not, without the consent of the design right owner –
 - (a) apply to goods which he is marketing, or proposes to market, in reliance on that licence a trade description indicating that he is the licensee of the design right owner, or
 - (b) use any such trade description in an advertisement in relation to such goods.
- (2) A contravention of subsection (1) is actionable by the design right owner.
- (3) In this section “trade description”, the reference to applying a trade description to goods and “advertisement” have the same meanings as in the *Consumer Protection (Trade Descriptions) Act 1970*.

40 Countries enjoying reciprocal protection

[P1988/48/256]

- (1) The Council of Ministers may, if it appears to it that the law of a country provides or will provide adequate protection for Manx designs, by order designate that country as one enjoying reciprocal protection under this Act.³⁸
- (2) If the law of that country provides adequate protection only for certain classes of Manx design, or only for designs applied to certain classes of article, any order designating that country shall contain provision limiting, to a corresponding extent, the protection afforded by this Act in relation to designs connected with that country.

41 Territorial waters

[P1988/48/257]

For the purposes of this Act the territorial waters of the Island shall be treated as part of the Island.

42 [Repealed]³⁹*Interpretation***43 Construction of references to design right owner**

[P1988/48/258]

- (1) Where different persons are (whether in consequence of a partial assignment or otherwise) entitled to different aspects of design right in a work, the design right owner for any purpose of this Act is the person who is entitled to the right in the respect relevant for that purpose.
- (2) Where design right (or any aspect of design right) is owned by more than one person jointly, references in this Act to the design right owner are to all the owners, so that, in particular, any requirement of the licence of the design right owner requires the licence of all of them.

44 Joint designs

[P1988/48/259]

- (1) In this Act a “**joint design**” means a design produced by the collaboration of 2 or more designers in which the contribution of each is not distinct from that of the other or others.
- (2) References in this Act to the designer of a design shall, except as otherwise provided, be construed in relation to a joint design as references to all the designers of the design.

45 Application to articles in kit form

[P1988/48/260]

- (1) The provisions of this Act apply in relation to a kit, that is, a complete or substantially complete set of components intended to be assembled into an article, as they apply in relation to the assembled article.
- (2) Subsection (1) does not affect the question whether design right subsists in any aspect of the design of the components of a kit as opposed to the design of the assembled article.

46 Retirement of signature: application in relation to body corporate

[P1988/48/261]

The requirement in the following provisions that an instrument be signed by or on behalf of a person is also satisfied in the case of a body corporate by the affixing of its seal —

- section 10(3) (assignment of design right),
- section 11(1) (assignment of future design right),
- section 13(1) (grant of exclusive licence).

47 Minor definitions

[P1988/48/263]

- (1) In this Act —

“**business**” includes a trade or profession;

“**commission**” [Repealed]⁴⁰

“**computer-generated**”, in relation to a design, means that the design is generated by computer in circumstances such that there is no human designer;

“**country**” includes any territory;

“**the Crown**” includes the Crown in right of the United Kingdom or (if so provided by the relevant order under section 40) in right of any other qualifying country, and also includes a Department or Statutory Board;

“**the Department**” means the Department for Enterprise;⁴¹

“**design document**” means any record of a design, whether in the form of a drawing, a written description, a photograph, data stored in a computer or otherwise;

“**employee**”, “**employment**” and “**employer**” refer to employment under a contract of service or of apprenticeship;

“**Manx design**” means a design which qualifies for design right protection by reason of a connection with the Island of the designer or the person by whom the designer is employed (British citizenship being treated as a connection with the Island for the purposes of this definition).⁴²

- (2) References in this Act to “**marketing**” in relation to an article, are to its being sold or let for hire, or offered or exposed for sale or hire, in the course of a business, and related expressions shall be construed accordingly; but no account shall be taken for the purposes of this Act of marketing which is merely colourable and not intended to satisfy the reasonable requirements of the public.
- (3) References in this Act to an act being done in relation to an article “**for commercial purposes**” are to its being done with a view to the article in question being sold or hired in the course of a business.

48 Index of defined expressions⁴³

[P1988/48/264]

The following Table shows provisions defining or otherwise explaining expressions used in this Act (other than provisions defining or explaining an expression used only in the same section) —

business	section 47(1)
commercial purposes	section 47(3)
computer-generated	section 47(1)
country	section 47(1)
the Crown	section 47(1)
Crown use	sections 26(5) and 30(2)
the department concerned	section 26(5)
design	section 1(2)
design document	section 47(1)
designer	sections 2 and 44(2)
design right	section 1(1)
design right owner	sections 21(2) and 43
employee, employment and employer	section 47(1)
exclusive licence	section 13(1)
infringing article	section 16
joint design	section 44(1)
licence (of the design right owner)	sections 10(4), 11(3) and 43
making articles to a design	section 14(2)
marketing (and related expressions)	section 47(2)
Manx designs	section 47(1)
original	section 1(4)
qualifying person	section 5(1) and (4)
signed	section 46
the Tribunal	section 24(2)

Supplemental

49 Transitional provision

[P1988/48/1/19]

- (1) During the period of 10 years beginning with the commencement of this Act, the following provisions of this Act (relating to licences of right) apply

to copyright in a design recorded or embodied in a design document or model before such commencement —

- (a) sections 24 and 25 (availability of licences of right); and
 - (b) sections 33 and 34 (application to Tribunal to settle terms of licence of right).
- (2) In section 24(1) as it applies by virtue of this section, for the reference to the last 5 years of the design right there shall be substituted a reference to the last 5 years of the period of 10 years referred to in subsection (1), or to so much of those last 5 years during which copyright subsists.
 - (3) In section 25(1)(b) as it applies by virtue of this section, for the reference to section 18 there shall be substituted a reference to section 98 (order for delivery up) of the *Copyright Act 1991*.
 - (4) Where a licence of right is available by virtue of this section, a person to whom a licence was granted before the commencement of this Act may apply to the Tribunal for an order adjusting the terms of that licence.
 - (5) A licence granted by virtue of this section shall relate only to acts which would be permitted by section 51 (design documents and models) of the *Copyright Act 1991* if the design document or model had been made after the commencement of that Act.
 - (6) Nothing in this section affects the operation of any rule of law preventing or restricting the enforcement of copyright in relation to a design.

50 Orders, rules and regulations

Orders, rules and regulations made by the Council of Ministers, the Governor in Council or any Department under this Act, other than an order under section 30(3) or 52, shall not have effect unless they are approved by Tynwald.⁴⁴

51 Amendment of enactments

The enactments specified in the Schedule are amended in accordance therewith.

52 Short title and commencement

- (1) This Act may be cited as the Design Right Act 1991.
- (2) This Act shall come into operation on such day as the Governor in Council may by order appoint.⁴⁵

Schedule

AMENDMENT OF ENACTMENTS

Section 51

[Sch amends the following Acts —

Companies Act 1931 q.v.

Merchant Shipping (Masters and Seamen) Act 1979 q.v.

Misrepresentation and Unfair Contract Terms Act 1980 q.v.]

ENDNOTES

Table of Legislation History

Legislation	Year and No	Commencement

Table of Renumbered Provisions

Original	Current

Table of Endnote References

¹ Subs (2) amended by Copyright etc (Amendment) Act 2014 s 12.

² Subs (4) amended by Copyright etc (Amendment) Act 2014 s 12, applicable to designs created after 01/05/2015.

³ Para (a) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].

⁴ Subs (1) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].

⁵ Subs (2) repealed by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].

⁶ Subs (3) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].

⁷ Definition of “qualifying individual” repealed by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.

⁸ Definition of “qualifying person” substituted by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.

⁹ Subs (3) repealed by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.

¹⁰ Subs (1) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].

¹¹ Subs (2) amended by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.

¹² Subs (3) amended by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.

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- ¹³ Subs (4) amended by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.
- ¹⁴ Heading amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
- ¹⁵ Subs (1) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
- ¹⁶ Subs (2) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
- ¹⁷ Subs (3) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
- ¹⁸ Para (a) amended by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.
- ¹⁹ Subs (1) amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
- ²⁰ Subs (2) amended by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.
- ²¹ Subs (3) amended by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.
- ²² Subs (4) repealed by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.
- ²³ Subs (1) amended by SD 861/11.
- ²⁴ Subs (2) amended by SD 861/11.
- ²⁵ Subs (5) amended by SD0606/12 and by SD2019/0120 with effect from 31/12/2020 at 23:00.
- ²⁶ Subs (2A) inserted by SD 77/13.
- ²⁷ Subs (2B) inserted by SD 77/13.
- ²⁸ Subs (3) amended by SD 77/13.
- ²⁹ Subs (6) amended by Trade Marks Act 1994 (Parliament) (as applied by SI1996/729) and by Performers' Protection Act 1996 s 34.
- ³⁰ Subs (3) amended by SD861/11.
- ³¹ Para (a) amended by National Health Service Act 2001 Sch 4.
- ³² Subs (4) amended by National Health Service Act 2001 Sch 4.
- ³³ Heading inserted by Copyright etc (amendment) Act 2014 s 15.
- ³⁴ S 30A inserted by Copyright etc (amendment) Act 2014 s 15.
- ³⁵ S 30B inserted by Copyright etc (amendment) Act 2014 s 15.
- ³⁶ S. 31 amended by SD 861/11.
- ³⁷ Subs (2) amended by Copyright etc (Amendment) Act 2014 s 7.
- ³⁸ Subs (1) amended by SD 861/11.
- ³⁹ S 42 repealed by Copyright (Amendment) Act 1999 s 22.
- ⁴⁰ Definition of "commission" repealed by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
- ⁴¹ Definition of "the Department" amended by SD155/10 Sch 2 and by SD2017/0325.
- ⁴² Definition of "Manx design" amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014].
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⁴³ Table amended by Copyright etc (Amendment) Act 2014 s 13, with savings [see s 13(8) of Copyright etc (Amendment) Act 2014] and by Copyright etc (Amendment) Act 2014 s 14, applicable to designs created after 01/05/2015.

⁴⁴ S. 50 amended by SD 861/11.

⁴⁵ ADO (whole Act) 1/7/1992 (GC203/92).