



# Hazards predicted when commissioning designs

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2 July 2012

## Who owns them?

*Bruhn Newtech Ltd v Datonetex Ltd [2012] EWPC 17*

The Patents County Court has refused to grant a declaration of ownership of UK and Community unregistered design rights in a bespoke product after the claimed “commission” was found to be a straightforward supply agreement that did not operate to transfer ownership of rights to the designs.

### Background

Under section 215(2) of the Copyright Designs and Patents Act 1998:

*“Where a design is created in pursuance of a commission, the person commissioning the design is the first owner of any design right in it.”*

### Facts

The defendant, Datonetex, made and supplied three versions of a hazard predicting product called Hazkey, to the claimant, Bruhn. There were written agreements in place for the development of the products, but they were entered into after the design drawings, research and development had been completed.

Bruhn sought a declaration that it owned any IP rights that subsisted in the products. It claimed that it should own UK unregistered design rights by virtue of being the

commissioner pursuant to s215(2) CDPA and that the court should make a similar ruling in respect of Community unregistered design right (not covered by s215(2) and there being no equivalent provision in the Community Design Regulations) as it is logical for unregistered design rights to be owned by the same party.

In the alternative, Bruhn argued there was a commission in equity or that terms assigning design right to it should be implied into the contract.

Datonetex relied on a clause in its terms and conditions which stated that *“Datonetex retains all Datonetex-owned IP in Product”*.

### The decision

Mr John Baldwin QC (sitting as a Deputy Judge) concluded that the contracts to supply the products came into existence after the relevant design drawings and research and

### Any comments or queries

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development had been carried out. Therefore they could not have been created pursuant to a “commission”. Section 215(2) therefore did not apply and so there were no statutory provisions that could operate to transfer ownership of any design rights to Bruhn.

The judge also rejected Bruhn’s argument that terms should be implied into the supply contracts assigning design right to Bruhn. That would be contrary to Datatetex’s express term in their terms and conditions.

The judge held that the burden of establishing a “commission” was on Bruhn as the party asserting the “commission”. In his assessment, the judge found no oral evidence to suggest that at the time, either party contemplated any design rights in any designs made by Datatetex would belong to Bruhn. Nor was there any evidence as to whether the parties contemplated the agreements were commissioning agreements that would fall within the scope of section 215(2).

With regard to the alleged “commission in equity”, the judge held there was insufficient evidence to justify the intervention of equity. He explained that for equity to intervene there must be something “*which attaches to the conscience of Datatetex*”, ie it would be inequitable for Bruhn’s claim to fail.

As an aside, with regard to UK and Community rights the judge held that these should not be considered in the same way simply by virtue of equity to ensure the same party owned both rights. These rights have a different provenance and should be considered separately.

Accordingly, the claim for a declaration of ownership was rejected.

### Comment

This judgment is a warning to those who order bespoke products or items not directly available off the shelf. It’s only a commission if the contract was made and the obligation to pay arises before the creation of the designs. The best way for a customer to ensure it owns design rights in the relevant products is, of course, to ensure the relevant contracts contain express terms to that effect.