

Community Designs: Protection and Exploitation

Arnold Vahrenwald

Prof. (Rome) PhD (Kyiv) LL.M. (London)

Vahrenwald Ltd.

EU Project: "Enhance Innovation Strategies, Policies and Regulation in Ukraine"

International Conference:

**THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS
IN UKRAINE AND THE EUROPEAN UNION:
POLICY, LEGISLATION, PRACTICE
Kyiv, Ukraine, 15-16 June 2011**

Community Designs: Protection and Exploitation

Contents

0. Introduction.....	3
1. Basic Regulation of the RCD.....	3
1.1. General Issues.....	3
1.2. Cumulative Protection of Designs and Copyright.....	5
1.3. Scope of Rights.....	7
2. Particular Legal Aspects of RCDs.....	8
2.1. Invalidity.....	9
2.1.1. Invalidity for Lack of Novelty.....	10
2.1.2. Invalidity for Lack of Individual Character.....	11
2.1.3. Invalidity for Prior Use of a Protected Distinctive Sign.....	13
2.2. Licensing.....	14
3. Enforcement of the RCD.....	15
3.1. Injunction.....	16
3.2. Damages.....	17
Abbreviations/Acronyms.....	17
Literature.....	19

Community Designs: Protection and Exploitation

0. Introduction

It is the purpose of the design protection to encourage innovation, the development of new products and investments for their manufacture.¹ Accordingly, the regulation of the Community design, in particular its protection and exploitation, should be of a great interest in relation to the project of IPR protection in the Ukraine and the EU in the context of European integration. Subsequent considerations are limited to the RCD.

1. Basic Regulation of the RCD

The basic regulation of RCDs is contained in the following documents:²

- the harmonisation of national design laws of EU Member States is achieved by EU Directive concerning Designs of 1998;
- the regulation for the community-wide registered design is contained in CDR of 2001;
- -the implementing regulations are found in CDIR of 2002;
- the fee regulation is found in CDRF of 2002;
- the regulation laying down the rules of procedure of the Board of Appeal are contained in Commission Regulation (EC) No 216/96 of 5 February 1996 laying down the rules of procedure of the Boards of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs).

1.1. General Issues

Some issues of general interest merit brief observations.

Filing of an application³

- Name and address of the applicant;
- Indication of the first and second language;
- At least one visual representation of the design;
- Indication of the type of product designed (see Locarno system);
- Signature;
- Payment of fees.

Single or multiple application

A multiple application may contain as many designs as wished, provided they belong to the same class of products according to the Locarno system. In the case of an online application the upper limit is 99 designs per application.

Claiming priority

Priority of an earlier design or utility model may be claimed within 6 months from the date of filing of the earlier application filed in a state of the Paris Convention or the WTO.

¹ Recital 7 CDR.

² For relevant regulations see <http://oami.europa.eu/ows/rw/pages/RCD/legalReferences/regulations.en.do>, download 20/05/2011.

³ See <http://oami.europa.eu/ows/rw/pages/RCD/regProcess/filing.en.do>, download 20/05/2011.

Community Designs: Protection and Exploitation

Deferment of publication

If the applicant does not wish to disclose the application keeping it confidential, the publication may be deferred up to 30 months.

Examination, registration and publication

An application for an RCD is checked mainly for formalities. If an application does not correspond with formal requirements, the OHIM will communicate these deficiencies giving a time limit for compliance. If OHIM does not raise objections the design will be registered and published immediately.

Fees

The fee for the registration of a single application of a design is € 230. The fee for its publication amounts to € 120. Together, the RCD will cost € 350. In the case of a multiple application for designs of the same Locarno system class the registration of the second up to the tenth design will cost € 115, the publication € 60; in the case exceeding 10 applications the registration will cost € 50, the publication € 30. The first renewal fee is € 90, the second € 120, the third € 150, and the fourth € 180.

Publication of the registration

During the examination process, OHIM does not check whether an application for the RCD violates any intellectual property right of a third party or whether the design shows novelty and/or individual character. But once an RCD has been registered, a third person may apply for a declaration of invalidity by:

- commencing proceedings at OHIM (OHIM's Invalidity Division);
- submitting a counterclaim in infringement proceedings before a Community Design court.

Application for a declaration of invalidity of the RCD by a third person with OHIM

A third person may apply for a declaration of invalidity concerning the RCD with OHIM. The application has to present facts, evidence and arguments. The fee is € 350. An appeal against OHIM's Invalidity Division decision can be filed with OHIM's Boards of Appeal.

Counterclaim of invalidity of the RCD in infringement proceedings

If there is already an infringement action pending in one of the Community Design Courts it is possible to bring a counterclaim there for a declaration of invalidity. The court may declare the contested Community design invalid or reject the counterclaim if it is not substantiated. Community Design Courts are those courts, which Member States designated as having exclusive competence in Community design matters in the first and second instances. If neither the plaintiff nor the defendant are domiciled or have an establishment in the EU proceedings are brought in the Spanish Community Design Court in Alicante. Additionally proceedings may be brought before the Community Design Court of that Member State in which infringement occurred or was threatened. The Community Design Court will inform the OHIM about a final judgment, and if this judgment declares an RCD invalid and becomes final it has the same effect in all Member States.

Community Designs: Protection and Exploitation

Grounds for invalidity of an RCD

There are several grounds on which a Community design may be declared invalid. According to Art. 25 CDR the following grounds will lead to the invalidity of a RCD:

- the design does not correspond to the definition of a Community design under Art. 3(a) CDR;
- the design does not fulfill the requirements of Art. 4 to Art. 9 CDR, especially lacking novelty and individual character;
- the registered holder is not entitled by virtue of a court decision;
- the RCD is in conflict with a prior national design;
- the RCD makes an unauthorised use of a design;
- the RCD makes an unauthorised use of a work protected by copyright;
- the RCD constitutes an improper use of any of the items listed in Article 6ter of the Paris Convention for the Protection of Industrial Property or of badges, emblems and escutcheons other than those covered by Article 6ter and which are of public interest in a Member State.

Appeal against decisions of OHIM's Invalidity Division

Decisions terminating proceedings before the OHIM Invalidity Division can be appealed against to the OHIM Appeal Boards. Against the Appeal Board's decision an action may be brought to the European General Court.

1.2. Cumulative Protection of Designs and Copyright

The Arco Lamp case

In 1962 Achille and Pier Giacomo Castiglioni designed the well known Arco lamp for the Flos company. Considering that the design belonged to the public domain the Semeraro company imported from China copies of the lamp to Italy. The Flos company asserted to be rightholder concerning the Arco lamp and sued the importer for copyright infringement before the Commercial Court of Milan. The Court issued a reference for a preliminary ruling concerning the interpretation of Art. 17 and Art. 19 EU Designs Directive⁴ under Art. 234 TEC (Art. 267 TFEU).

The Italian law on designs, which was applicable until 19/04/2001 provided that provisions

The Italian

designs
providing
even the
that their
nature of
19/04/2001
copyright



relating to copyright should not apply to designs.⁵ copyright law, which was applicable until 19/04/2001⁶ made copyright protection for subject to the condition of 'separability', that copyright protection was afforded for works, industrial applications of such works, provided artistic value is separable from the industrial the product with which they are associated. From onwards industrial designs are also protected by provided that they possess in themselves creative

⁴ EU Designs Directive.

⁵ Art. 5 of the Royal Decree No. 1411 of 25/08/1940 concerning provisions laid down by law in respect of patents for industrial designs.

⁶ Point 4 of Art. 2(1) of the Law No. 633 of 22/04/1941 concerning copyright and other rights related to the exercise thereof.

Community Designs: Protection and Exploitation

character and artistic value.⁷ However, the Italian law provided also that this protection of designs by copyright should not be enforceable as against those persons who engaged before that date in the manufacture, supply or marketing of products based on designs that were in, or had entered into, the public domain.⁸

The ECJ held⁹ that copyright protection must be conferred on all designs protected by a design right registered in or in respect of a Member State concerned - provided that the design qualifies as a work in the sense of the copyright.

The intention of the European Union legislature to confer that protection also emerges clearly from recital 8 in the preamble to Directive 98/71 [EU Designs Directive], affirming, in the absence of harmonisation of copyright legislation, the principle of cumulation of protection under specific registered design protection law and under copyright law.

In its judgment the ECJ¹⁰ referred expressly to Art. 17 EU Designs Directive, which is entitled "Relationship to Copyright". According to this provision a design protected by a design right registered in or in respect of a Member State in accordance with the Directive shall also be eligible for protection under the law of copyright of that State as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which such a protection is conferred, including the level of originality required, shall be determined by each Member State.

Taking into account of the term of the copyright for the life of the author and for 70 years after his death¹¹ the copyright in the Arco lamp had not expired provided that the lamp met with the requirements of copyright protection, in particular originality.

The principle of cumulative protection is sustained by the CDR, which states in recital 32 CDR:

In the absence of the complete harmonisation of copyright law, it is important to establish the principle of cumulation of protection under the Community design and under copyright law, whilst leaving Member States free to establish the extent of copyright protection and the conditions under which such protection is conferred.

Objects of utility and requirement of "originality" in the sense of copyright

In a judgment of 14/10/2010 the Court of Appeal of Munich¹² was concerned with the question whether the "egg cook" by Wilhelm Wagenfeld, a designer of the Bauhaus, could qualify as a work in the sense of the copyright. The "egg cook" is an object of utility, and it was controversial whether it could have the quality of an original work of the mind in the sense of the copyright, in particular as a work of the applied arts. The requirement of "originality" in the sense of copyright is more demanding than the

⁷ Art. 22 of Legislative Decree No. 95 of 02/02/2001.

⁸ Art. 239 of the Italian Industrial Property Code.

⁹ ECJ of 27/01/2011, C-168/09, 'Arco lamp'.

¹⁰ ECJ of 27/01/2011, C-168/09, 'Arco lamp'.

¹¹ Art. 1(1) and 10(2) of Directive 93/98.

¹² Court of Appeal of Munich of 14/10/2010, 29 U 2001/10, GRUR-RR 2011, 54.

Community Designs: Protection and Exploitation

requirement of "individual character" in the sense of design law. German jurisprudence applies the following standards:

- the shape of the product must be such that according to prevailing views the product could be considered as belonging to the arts;¹³
- independently of the use, which is made of the product, the shape must not be determined by technical conditions;¹⁴
- the product must reveal a sufficient degree of individual creativity in the field of esthetics, which justifies the classification of the product with a work of the applied arts.¹⁵

The requirement of the "individual character" in the sense of design law is a "minus" in comparison to the requirement of "originality" in the sense of copyright. In the case of objects of utility the design law demands that the product must excel from those resulting from ordinary or daily handcraft. More demanding, copyright protection can only be given if the product shows a higher degree of creative particularity in the sense of a clear excess from the average level of creation.¹⁶

1.3. Scope of Rights

The scope of the design extends to any design, which does not create any other overall impression upon the informed user, Art. 10(1) CDR. Relevant is the informed user's view.

Exclusivity

The exclusive acts are enumerated in Art. 19(1) sentence 2 CDR. Accordingly, the holder of a RCD has an exclusive right of use. According to this provision the right of use covers the following uses in respect to a product, which incorporates the design or to which it is applied:

- the making;
- the offering;
- the putting on the market;
- the importing;
- the exporting;
- the using;
- the stocking.

Concerning the interpretation of these exclusive acts it may be said that basic principles of the EU Directive on the harmonisation of certain aspects of copyright and related rights in the information society (2001/29/EC) could be of use also in the design law, even if this Directive is neither directly applicable nor by way of analogy.¹⁷ For example, the ECJ held concerning copyright that the marketing of a work in the sense of copyright requires the transfer of ownership. Accordingly, the exhibition of furniture on

¹³ German Federal Supreme Court, GRUR 1987, 903, 'Le Corbusier furniture'.

¹⁴ German Federal Supreme Court, GRUR 2004, 941, 'metal bed'.

¹⁵ German Federal Supreme Court, GRUR 1987, 903, 'Le Corbusier furniture'.

¹⁶ German Federal Supreme Court, GRUR-RR 1995, 1253, 'silver thistle'.

¹⁷ Eichmann/Kur, p. 108.

Community Designs: Protection and Exploitation

the basis of a leasing contract will not infringe the copyright,¹⁸ and - very likely - not the design right. Accordingly, the owner of the RCD would avail of at least the following exclusive rights:¹⁹

- the reproduction right (the right to authorise or prohibit direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part);
- the right of making available to the public (the right to authorise or prohibit the making available to the public in such a way that members of the public may access them from a place and at a time individually chosen by them);
- the distribution right (the exclusive right to authorise or prohibit any form of distribution to the public by sale or otherwise).

But any parallel with the EU Directive on the harmonisation of certain aspects of copyright and related rights in the information society (2001/29/EC) may only carefully be drawn. Concerning the unregistered Community design recital 21 sentence 2 of the CDR states:

It is appropriate that the unregistered Community design should, however, constitute a right only to prevent copying.

Limitations and exceptions

Art. 20 CDR enumerates acts, which even if done without the owner's consent, do not constitute design infringement. This includes the use by:

- acts done privately and for non-commercial purposes;
- acts done for experimental purposes;
- acts of reproduction for the purpose of making citations or of teaching (provided that such acts are compatible with fair trade practice and do not unduly prejudice the normal exploitation of the design and that mention is made of the source);
- protected designs as equipment on ships and aircraft registered in a third country when these temporarily enter Community territory, the importation in the Community of spare parts and accessories for the purpose of repairing such craft and the execution of repairs on such craft.

Term

The period of protection of an RCD commences with the entry in the register, and the term of initially 5 years may be extended until 25 years, Art. 12 CDR. A RCD is valid for five years from the date of filing of the application. It can be renewed up to four times, each time for five years, giving a total period of protection of 25 years.

2. Particular Legal Aspects of RCDs

Community designs must be new and have individual character, Art. 4(1) CDR. Since there is no search of these elements in an application for the registration of a

¹⁸ ECJ, case C-456/06, GRUR Int. 2008, 593, 'P&C/Cassina', para. 36.

¹⁹ See Art. 2, Art. 3 and Art. 4 of the EU Directive on the harmonisation of certain aspects of copyright and related rights in the information society (2001/29/EC).

Community Designs: Protection and Exploitation

Community design,²⁰ the issues whether there is novelty or individual character often arise in the procedure concerning the invalidity of the design, which can be brought by an infringer on the basis of a counterclaim, Art. 24(1) CDR, or by any person on the basis of an application for a declaration of invalidity to the OHIM according to Art. 52(1) CDR.

2.1. Invalidity

Since the OHIM does not carry out a search for material requirements of registrability of designs it will register a design if formal requirements are fulfilled. This means that a design could be registered even if it lacked novelty or individual character.

The lack of novelty or individual character of a RCD may be invoked by any third person, Art. 24(1) and 52(1) CDR. But only the rightholder with respect to a prior design, sign or work may invoke the invalidity if:

- the RCD is in conflict with a prior design which was published after the RCD provided that the priority is based on another registered design;²¹
- the RCD makes use of a distinctive sign and the holder of the sign may prohibit such a use based on Community law or the law of a Member State;²²
- the RCD constitutes an unauthorised use of a work protected under a Member State's copyright law.²³

The invalidity of a RCD may be argued as a defence in infringement proceedings, Art. 24(1) CDR.

The fact that a Community design is registered means therefore that a potential defendant has the burden of proof if he argues the invalidity of the RCD or its narrow scope. Accordingly, the Court of Appeal of Frankfurt am Main held (with regard to the German Act on Designs) that if a defendant in an action for the infringement of a registered design refrains from proving the existence of prior identical or similar designs, it must not only be assumed that the registered design is valid, but also that it enjoys a wide scope of protection.²⁴

Bad faith of the owner of a registered Community design is no matter concerning invalidity. Where novelty and individual character of a design are at issue the rightholder's bad faith - for example if he copied basic lines of a design, which had been communicated to him on a confidential basis - remains irrelevant.²⁵ In the EGC's view the grounds listed in Article 25(1) CDR:

²⁰ Art. 47 CDR indicates as grounds for non-registrability that a design does not correspond to the definition under Art. 3(a) - i.e. that it does not constitute a design - or that it is contrary to public policy or accepted principles of morality.

²¹ Art. 25(1)(d) CDR.

²² Art. 25(1)(e) CDR.

²³ Art. 25(1)(f) CDR.

²⁴ Court of Appeal of Frankfurt am Main of 31/05/2010, 6 W 50/10, GRUR-RR 1011, 66.

²⁵ Humphreys, What's in a year in Luxembourg? Learning from recent case law on registered Community designs, Fordham IP Conference 2011, <http://fordhamipconference.com/papers/>, referring to the

Community Designs: Protection and Exploitation

must be regarded as exhaustive, since Art. 25 CDR provides that a Community design may be declared invalid only on one of the grounds specified therein.²⁶

2.1.1. Invalidity for Lack of Novelty

Based on Art. 7(1) CDR a design lacks novelty in the sense of Art. 5 CDR if it has been made available to the public.²⁷

In its decision SIA STREAM²⁸ the OHIM Invalidity Division was concerned with the question whether a prior publication of images of fish hooks in the Russian language magazine "Sportyvnoye Rybolovstvo" disclosed the Community design of fishing equipment in the sense of Art. 7(1) CDR. The OHIM held that the fact that the text portions of the magazine are in Russian does not disqualify the magazine as evidence since the pictures shown are self explanatory and do not need translation and the date was in Arabic numbers. According to Art. 5 CDR an RCD lacks novelty when an identical design has been made available to the public prior to the date of filing of the RCD.

Designs shall be deemed to be identical if their features differ only in immaterial details.

The RCD and the prior design both related to fishing equipments comprising a jug with a hook. Both designs were identical in all their features regarding shape, proportions and surface texture of the jug and the attachment of a treble hook. Accordingly, the prior design and the RCD were held identical within the meaning of Art. 5 CDR and the RCD was held to be invalid on the ground of Article 25(1)(b) CDR.

In its decision "Bread" the OHIM's Board of Appeal²⁹ applied the test of novelty with regard to an RCD, which was registered for the product bread. The applicant applied for a declaration of invalidity based on earlier publications, which he had attached to his application. With regard to novelty the OHIM's Invalidity Division, confirmed by the Appeal Board, had found that the design was novel insofar:

- as the RCD appeared narrower and longer than the prior designs contained in earlier publications as the ratio between its length and height was 2 to 1 whereas in the prior design it was 1.5 to 1;
- as the prior designs had only seven cone shaped punctuation holes while the RCD had at least eleven of them;

European General Court of 12/05/2010, case T-9/07, Grupo Promer Mon Graphic SA / OHIM, 'Metal Rappers'.

²⁶ European General Court of 12/05/2010, case T-9/07, Grupo Promer Mon Graphic SA / OHIM, 'Metal Rappers', para. 30.

²⁷ Art. 7 of the CDR - Disclosure (1) For the purpose of applying Art. 5 and 6, a design shall be deemed to have been made available to the public if it has been published following registration or otherwise, or exhibited, used in trade or otherwise disclosed, before the date referred to in Art. 5(1)(a) and 6(1)(a) or in Art. 5(1)(b) and 6(1)(b), as the case may be, except where these events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.

²⁸ OHIM of 11/04/2011, file no. ICD 8212, 'SIA STREAM'.

²⁹ OHIM Board of Appeal of 19/10/2009, case R 1080/2008-3, 'Bread'.

Community Designs: Protection and Exploitation

- the brown colour of the RCD was slightly darker than that of the prior designs.

A prior design is not made available to the public if it is merely applied for but not yet published. The mere application with the OHIM does not render a design accessible to the public.³⁰ What matters is the publication of the design, which may occur many years later, depending upon the applicant's intentions. This assumption is justified insofar as a research for designs will be possible only with regard to published designs. Before the publication documents are accessible only with the applicant's consent, Art. 74(1) CDR respectively if the person requesting the access proves a legitimate interest, Art. 74(2) CDR. But a mere interest in the content of the application is unlikely to constitute such a legitimate interest, taking into account that Art. 74(1) CDR excludes expressly those files from inspection without the applicant's consent, the publication of which were deferred.

2.1.2. Invalidity for Lack of Individual Character

According to Art. 6 CDR an RCD lacks individual character if the overall impression it produces on the informed user is the same as the overall impression produced on such a user by any design which has been made available to the public prior to the date of filing of the RCD or the date of the priority claims. Art. 6(2) CDR states that when assessing the individual character of the RCD the degree of freedom of the designer in developing the design shall be taken into consideration. It must also be taken into account that the degree of freedom of the designer is limited in so far as the device has to fulfill its function.³¹ In the comparison of the two designs the issue is whether the two designs produce the same overall impression on the informed user, taking into consideration the designer's degree of freedom in developing the design.³²

In its judgement 'stretch cars' the German Federal Supreme Court indicated that the difference between the signs concerned is decisive for the assessment of the individual character.³³ Whether there is the required degree of difference has to be analysed on the basis of a comparison between the signs concerned. In practice this means that a particular difference between the design and the other signs may suffice.

Concerning the individual character of an RCD for the product "Bread" the OHIM's Board of Appeal held³⁴ that the overall impression produced on the informed user by the contested RCD was the same as the overall impression produced by the prior designs. They all have in common a narrow rectangular shape. All are dark breads with a rounded upper crust and cone shaped punctuation holes distributed in a similar pattern. The Appeal Board analysed:

The class of products indicated in the registration is bread. Therefore, for the purposes of the assessment of individual character, the informed use is someone who is a user of bread. He is, thus, not a designer, a manufacturer or a specialist

³⁰ German Federal Supreme Court of 22/04/2010, I ZR 89/08, 'Stretch cars', para. 40.

³¹ See e.g. OHIM of 03/05/2011, ICD 8277, 'Reef One Limited'.

³² See e.g. OHIM, Board of Appeal of 05/11/2009, Case R 1592/2008-3, 'Light projectors'.

³³ German Federal Supreme Court of 22/04/2010, I ZR 89/08, 'Stretch cars', para. 32.

³⁴ OHIM Board of Appeal of 19/10/2009, case R 1080/2008-3, 'Bread', para. 26.

Community Designs: Protection and Exploitation

in the food industry.³⁵ With regard to the shape and the degree of narrowness, the informed user will perceive the designs in question as similar, taking into account that his concerns are to factors such as taste, food preparation or cereal content.

Accordingly, the Board upheld the Division's decision declaring the RCD invalid for lack of individual character.

The "informed user" in the sense of Art. 6(1) CDR has to be identified with regard to the circle of addressees and with regard to the degree of knowledge, which these addressees are deemed to have.³⁶ The EGC rejected the view that the notion of the "informed user" referred to a "designer" or "technical expert":³⁷

The user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them. However, (...) that factor does not imply that the informed user is able to distinguish, beyond the experience gained by using the product concerned, the aspects of the appearance of the product which are dictated by the product's technical function from those which are arbitrary.

In the case "Communication equipment" the EGC explained:³⁸

Features that are minor elements and are not in the user's immediate field of vision will not have a "major impact" on the user's perception.

In the case "Sitting figure" the EGC included also minors into the group of informed users.³⁹ The case was concerned with an earlier figurative trademark, which depicted a goblin, the forward leaning body posture and facial expression gave the impression of an angry person. In contrast, the overall impression created by the contested RCD was not characterised by the expression of any feeling either through the face or the body. According to the EGC the difference in the expression of the faces will be clear to young people buying T-shirts and caps and to children using stickers.⁴⁰

³⁵ Referring to the decisions of the Boards of 28/11/2006, case R 1310/2005-3, 'Galletas', para. 13; 09/11/2007, case R 1215/2006-3, 'Meat foodstuffs', para. 24.

³⁶ Eichmann, Neues aus dem Geschmacksmusterrecht, GRUR Prax 2010, 278 at 280.

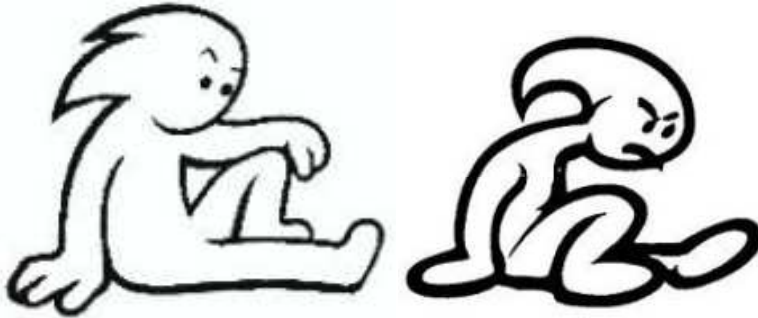
³⁷ EGC of 22/06/2010, T-153/08 (Shenzhen Taiden Industrial Co. Ltd./OHIM and Bosch Security Systems BV), GRUR-RR 2010, 425.

³⁸ EGC of 22/06/2010, case T-153/08 (Shenzhen Taiden Industrial Co. Ltd./OHIM and Bosch Security Systems BV), GRUR-RR 2010, 425, 'Communications equipment', para. 65.

³⁹ EGC of 16/12/2010, case T-153/09 (José Manuel Baena Grupo SA/OHIM), "Sitting figure", para.s 20 to 22.

⁴⁰ The European General Court annulled the decision of OHIM's Appeal Board, which had found the opposite result.

Community Designs: Protection and Exploitation



RCD (registered Community design) - Figurative trade mark

The ECJ's Advocate General Mengozzi formulated in his opinion of 12/05/2011:⁴¹

Obviously, the informed user to whom the Regulation refers is not the average consumer to whom reference must be made in order to apply the rules on trade marks, who needs to have no specific knowledge and who, as a rule, makes no direct comparison between the trade marks at issue; nor, however, is the informed user the sectoral expert referred to for the purposes of assessing a patent's inventiveness. The informed user can be said to lie somewhere between the two. Accordingly, the informed user is not a general consumer who might, entirely by chance and with no specific knowledge, also come into contact with the goods characterised by a particular design. Nor yet is the informed user an expert with detailed technical expertise.

In practice this means that courts will not have to rely on experts when assessing the individual character. A judge's own opinion may suffice.

2.1.3. Invalidity for Prior Use of a Protected Distinctive Sign

According to Article 25(1)(e) of the CDR a Community design may be declared invalid if it uses a distinctive sign, the owner of which may prohibit the use of the design by reason of the law of the Community or one of its Member States. A counterclaim based on Art. 25(1)(e) CDR will only be successful, if the relevant public will form the impression that use is made in that RCD of the distinctive sign relied on in support of the application for a declaration of invalidity.⁴²

A prior design, such as a figurative trademark, does not have to be actually reproduced in order to constitute "use" of it in the sense of Art. 25(1)(e) CDR leading to invalidity. In its judgment "Instruments for writing" the EGC held⁴³ that a full and detailed reproduction of the earlier distinctive sign was not necessary - it is enough for the signs to be similar. However, a counterclaim based on Art. 25(1)(e) CDR will only be successful, if the relevant public will form the impression that use is made in that RCD of the distinctive sign relied on in support of the application for a declaration of invalidity.⁴⁴

⁴¹ Advocate General Mengozzi of the European Court of Justice, 12/05/2011, PepsiCo/Grupo Promer Mon Graphic, case C-281/10 P, para. 43.

⁴² EGC, *ibid.*, para. 105.

⁴³ EGC of 12/05/2010, case T-148/08, Beifa Group Co. Ltd. / OHIM, 'Instruments for writing', para. 52.

⁴⁴ EGC, *ibid.*, para. 105.

Community Designs: Protection and Exploitation

The OHIM held in its decision "Burberry"⁴⁵ that a figurative community trademark registered on 21/06/1999 for goods in classes 18, 24 and 25, particularly for textiles, rendered a similar RCD invalid, which was applied for by another person at a later date. The owner of the trademark, Burberry Limited, had requested a declaration of invalidity of the RCD on the grounds of Art. 25(1)(b) CDR and Art. 25(1)(e) CDR. The RCD incorporated a feature consisting of a pattern of stripes and shadings of various colours in between the stripes, constitutive of a "sign", which was not devoid of distinctive character. However, the sign was considered identical to the sign of Burberry's Community trademark so that on the basis of Art. 9(1)(a) CTMR Burberry Ltd. was entitled to prevent the owner of the RCD from using the sign without his consent for goods or services identical with those for which the RCD had been registered.



Burberry Ltd.'s figurative trade mark The RCD (registered Community design)

An RCD will also be held invalid if the prior figurative Community trademark constituting the distinctive design prohibits the use of the Community design by reason of a risk of confusion for the public if the goods are not identical but similar. In the decision "Crocs Inc." the OHIM held⁴⁶ held that the RCD reproduced some elements of a prior Community trademark whereas it added others not appertaining to the trademark such as three colours. However, these changes did not prevent that the design would be conceived as a "sign" the use of which could be prohibited by the trademark owner.

2.2. Licensing

The licensing of RCDs is envisaged by Art. 32 CDR. According to this provision a licence may be exclusive or non-exclusive. There is no doubt that licences may relate to a part of the Community's territory or the whole. It is recommendable to register a licence, because according to Art. 33(2) CDR a registered licence has effect vis-à-vis third parties in all Member States of the EU. This effect extends to the time before the publication of the licence if the third party was of bad faith.⁴⁷ The registration of an exclusive licence is particularly recommendable in order to avoid consequences arising from the licensor's insolvency.⁴⁸ Another advantage of registration lies in the fact that

⁴⁵ OHIM of 30/03/2011, ICD 000007181, Burberry Limited.

⁴⁶ OHIM of 02/05/2011, ICD 000008257, Crocs Inc., referring to Art. 9(1)(b) CTMR.

⁴⁷ Art. 33(2) sentence 2 CDR.

⁴⁸ See Art. 33(4) CDR.

Community Designs: Protection and Exploitation

the surrender of a CDR will only be entered into the register if the owner establishes that he has informed the licensee of his intention to surrender.⁴⁹

The legal provisions contained in the CDR, CDIR and CDFR in respect of licences correspond to the respective provisions in the CTMR and the Implementing Rules and the Rules on Fees concerned.⁵⁰ OHIM's Guidelines Concerning Proceedings Before the OHIM (Trade Marks and Designs), Part E, Section 5, Licences, of 24/11/2004, state that the Guidelines, which are drafted with regard to Community trade marks, apply *mutatis mutandis* to Community designs with a few exceptions and specialities laid down under par. 6. As a speciality the limitation of the licence with regard to the field of application is not possible:⁵¹

A partial licence for only some products in which the design is intended to be incorporated or applied, is not possible. It is not possible to register a licence in respect of a RCD for only part of the products so indicated. Any such limitations of the scope of the licence will be disregarded by the OHIM, and the licence will be registered as if the said restriction were not present.

The application for the registration of a licence for an RCD must be made in one of the five languages of the OHIM.⁵² The request for registration must indicate the registration number of the RCD, the name, address and nationality of the licensee and the state in which he is domiciled or has his seat or an establishment; if the licensee designates a representative his business address must be indicated.⁵³ The licence may indicate particulars such as a territorial limitation, exclusivity, a limitation in time or a sub-licence.⁵⁴ It is recommended to make use of the OHIM's form for the Request for the Registration of a Licence.⁵⁵ The OHIM requests the proof of the licence. Instead of transmitting a copy of the licence contract it suffices to send a declaration, signed by the holder of the RCD that he agrees to the registration of the licence.⁵⁶

The fee of € 200 for the registration of a licence, the transfer or cancellation applies per design and not per multiple application. In the case of multiple designs there is a ceiling of € 1,000.⁵⁷

3. Enforcement of the RCD

Concerning the enforcement of exclusive rights, which are based on the CDR, recital 22 states:

⁴⁹ Guidelines Concerning Proceedings Before the OHIM (Trade Marks and Designs), Part E, Section 5, Licences, of 24/11/2004, Par. 1.b).

⁵⁰ Guidelines Concerning Proceedings Before the OHIM (Trade Marks and Designs), Part E, Section 5, Licences, of 24/11/2004, Par. 6.

⁵¹ See note above, Par. 6.1.

⁵² See note above, Par. 2.1.

⁵³ See note above, Par. 2.3.3.

⁵⁴ See note above, Par. 2.4.

⁵⁵ See note above, Par. 2.3.2.

⁵⁶ See note above, Par. 2.3.4.4.

⁵⁷ See note above, Par. 6.2.

Community Designs: Protection and Exploitation

The enforcement of these rights is to be left to national laws. It is necessary therefore to provide for some basic uniform sanctions in all Member States. These should make it possible irrespective of the jurisdiction under which enforcement is sought, to stop the infringing acts.

3.1. Injunction

Territory of the Community or national territory

Art. 89 CDR regulates only basic issues of sanctions in actions for infringement of the RCD. In its judgment of 22/04/2010 the German Federal Supreme Court⁵⁸ was concerned with the question whether the infringement of an RCD in Germany implied the risk for future violations within the territory of Germany only or the whole Union. The plaintiff had applied for a restraining order concerning the territory of the EU. The Court held that the Community wide extension of the claim for an injunction was based on Art. 1(3) sentence 1 and Art. 2 CDR according to which the RCD would be unitary and its effects would extend to the whole Community. Accordingly, an infringement occurring in Germany implies the risk for further infringements in the territory of the whole EU.⁵⁹ However, this principle is not applicable if the court's jurisdiction is only based on the fact that an infringing act has been committed or threatened within its territory, Art. 83(2) and Art. 81(5) CDR. In such a case the court's jurisdiction is limited to the national territory.⁶⁰

Preliminary injunction

Art. 90 CDR permits the grant of provisional measures. This means that courts may grant a preliminary injunction. Art. 9(1)(a) of the EU Directive 2004/48/EC of 29/04/2004 on the Enforcement of Intellectual Property Rights presupposes as a precondition for the grant of a preliminary measure - inter alia - the necessity to prevent any imminent infringement of an intellectual property right. According to the national German law a preliminary injunction may be granted even if the alleged infringer was not heard.⁶¹ However, in the case of a registered and not examined design right or in the case of a not registered design right German courts generally require that the alleged infringer obtains a chance to be heard on the issue of the validity and the scope of the design right. The applicant can fulfill this requirement if he sends the alleged infringer a warning letter a copy of which he should add to the application for the grant of a preliminary injunction.⁶²

⁵⁸ German Federal Supreme Court of 22/04/2010, I ZR 89/08, 'Stretch cars', para. 56.

⁵⁹ The Court, note above, referred to the corresponding jurisprudence concerning the Community trademark, Federal Supreme Court of 13/09/2007, I ZR 33/05, GRUR 2008, 254, 'The Home Store'; Austrian Federal Supreme Court GRUR Int. 2007, 256, 258; and to legal literature concerning the Community design, Ruhl, Gemeinschaftsgeschmacksmuster, 2nd ed., 2010, clause 9 to Art. 6; Auler in Büscher/Dittmer/Schiwy, Gewerblicher Rechtsschutz, Urheberrecht, Medienrecht, 2008, clause 2 to Art. 19 GGv.

⁶⁰ Eichmann, Neues aus dem Geschmacksmusterrecht, GRUR Prax 2010, 278 at 282.

⁶¹ This corresponds with Art. 9(4) of the EU Directive 2004/48/EC of 29/04/2004 on the Enforcement of Intellectual Property Rights.

⁶² Court of Appeal of Frankfurt am Main of 31/05/2010, 6 W 50/10, GRUR-RR 1011, 66.

Community Designs: Protection and Exploitation

3.2. Damages

The CDR does not expressly refer to damages as a remedy against infringement of an RCD. The German Federal Supreme Court⁶³ held that in application of Art. 89(1)(d) CDR and Art. 8(2) of the Rome II Regulation⁶⁴ the law of that Member State would be applicable in the territory of which the infringement occurred. Accordingly, the scope of the rightholder's claim for damages had to be ascertained on the basis of German law. But whereas the German Trademark Act provides in Art. 125b clause 2 that the owner of a Community trademark (additionally to the rights which he enjoys according to the Community Trademark Regulation) enjoys rights against an infringer, which the owner of a German trademark would have, the German Design Act lacks a similar provision. The German Federal Supreme Court found that nevertheless the provision on damages contained in the German Design Act, Art. 42(2), would be applicable to determine the scope of damages concerning a RCD. It considered that the German Design Act contained a "lacuna, which was not intended by the legislator" so that an analogy should be drawn with the German trademark law, which granted the owner of a Community trademark the rights of a German trademark owner.

One might also think of a direct application of the provision on damages (Art. 13) of the EU Directive 2004/48/EC of 29/04/2004 on the Enforcement of Intellectual Property Rights by the German courts. This directive had to be implemented into the national laws of Member States until 29/04/2006, see Art. 288 TFEU.

Independently of the question whether the German Design Act contained a "lacuna", because it did not extend the application of remedies available for the owner of a German registered design to owners of RCDs, the Court could also have applied Art. 88 CDR, which deals with the "Applicable law". The provision states in subsection (2) that on all matters not covered by this Regulation, a Community design court shall apply its national law. Art. 89 CDR (concerning "Sanctions in actions for infringement") does not expressly deal with damages. But its subsection (1)(d) could be applicable according to which a Member State can impose sanctions, which are provided by the law of the Member State. If thus an infringing activity occurs in the territory of a Member State, the holder of an RCD may claim damages and corresponding rights of information concerning the scope of damages with regard to that Member State's territory.⁶⁵

Abbreviations/Acronyms

CDR = Council Regulation (EC) n° 6/2002 of 12 December 2001 on Community Designs

⁶³ German Federal Supreme Court of 22/04/2010, I ZR 89/08, 'Stretch cars', para.s 57 et seq., 63.

⁶⁴ Regulation (EC) No. 864/2007 on the law applicable to non-contractual obligations (Rome II Regulation); Art. 8 - Infringement of intellectual property rights (1) The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed. (2) In the case of a non-contractual obligation arising from an infringement of a unitary Community intellectual property right, the law applicable shall, for any question that is not governed by the relevant Community instrument, be the law of the country in which the act of infringement was committed. (3) ...

⁶⁵ See German Federal Supreme Court of 22/04/2010, I ZR 89/08, 'Stretch cars', para.s 57 et seq., 65; Eichmann, Neues aus dem Geschmacksmusterrecht, GRUR Prax 2010, 278 at 283.

Community Designs: Protection and Exploitation

CDFR = Commission Regulation (EC) n° 2246/2002 of 16 December 2002 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) in respect of the registration of Community designs

CDIR = Commission Regulation (EC) n°2245/2002 of 21 October 2002 implementing Council Regulation (EC) No 6/2002 on Community designs

CTMR = Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community trade mark

ECJ = European Court of Justice

EGC = European General Court

EU = European Union

EU Designs Directive = Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs

GRUR = Gewerblicher Rechtsschutz und Urheberrecht

GRUR Int. = Gewerblicher Rechtsschutz und Urheberrecht, Internationaler Teil

GRUR-Prax = Gewerblicher Rechtsschutz und Urheberrecht, Praxis im Immaterialgüter- und Wettbewerbsrecht

GRUR RR = Gewerblicher Rechtsschutz und Urheberrecht, Rechtsprechungs-Report

IPR = Intellectual property rights

Locarno system = Locarno Agreement Establishing an International Classification for Industrial Designs, Signed at Locarno on 08/10/1968 as amended on 28/09/1979

OHIM = Office for Harmonization in the Internal Market (Trade Marks and Designs)

RCD = registered Community design

TEC = Treaty establishing the European Community

TFEU = Treaty on the Functioning of the European Union

WTO = World Trade Organisation

Community Designs: Protection and Exploitation

Literature

Databases

Databases with case law, offered online through the OHIM:

<http://oami.europa.eu/ows/rw/pages/RCD/caseLaw/caseLaw.en.do>

OHIM, Community Designs Bulletin:

http://oami.europa.eu/bulletin/rcd/rcd_bulletin_en.htm

Books and Articles

Bulling/Langöhrig/Hellwig, Geschmacksmuster - Designschutz in Deutschland, Europa mit USA, Japan, China und Korea, 3rd ed., Carl Heymanns, Cologne 2011

Büscher/Dittmer/Schiwy, Gewerblicher Rechtsschutz, Urheberrecht, Medienrecht, 2008

Eichmann, Neues aus dem Geschmacksmusterrecht, GRUR Prax 2010, 278

Eichmann/Kur, Designrecht - Praxishandbuch, Nomos, Baden-Baden 2009

Humphreys, What's in a year in Luxembourg? Learning from recent case law on registered Community designs, Fordham IP Conference 2011,
<http://fordhamipconference.com/papers/>

Ruhl, Gemeinschaftsgeschmacksmuster, 2nd ed., Car Heymanns, Cologne 2010

Stöckel/Lüken, Handbuch Marken- und Designrecht, 2nd ed., Erich Schmidt, Berlin 2006

Zentek, Designschutz, 2nd ed., Lelesken, Dortmund 2008