

Can Community designs stand the test of court?

A consistent application of the Community design regime is crucial to its success. However, the national Community design courts have divergent interpretations on several key issues and are failing to seek clarification from the ECJ

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Almost six years after the introduction of the registered Community design on 1st April 2003, the first case has reached the European Court of Justice (ECJ) by way of a reference for a preliminary ruling on Article 14 of the Community Design Regulation from the *Juzgado de lo Mercantil Número Uno* of Alicante, Spain, in *FEIA v Cul de Sac* (C-32/08). Although the case is unlikely to be decided until later this year, this is nonetheless encouraging news, as it illustrates a growing effort to strengthen and foster the pan-European harmonisation of design protection. Many of the legal issues which are not explored in depth in the Community Design Regulation require further clarification by the ECJ – and the sooner, the better. However, various Community design courts have failed to refer such questions of law to the ECJ, including the German Federal Supreme Court in *Bakery Press* (9th October 2008), the England and Wales Court of Appeal in *Green Lane v PMS* (23rd April 2008) and the High Court of Ireland in *Karen Millen v Dunnes* (21st December 2007).

The German *Bakery Press* decision related to the legal requirements for obtaining protection through an unregistered Community design. The court explained, with reference to existing

literature, that only disclosure of the design within the geographical territory of the European Union will establish rights conferred by an unregistered Community design – in contrast to conflicting views published in British law journals.

Likewise, the English *Green Lane v PMS* decision considered whether the prior art should be taken from the product category to which the asserted design in suit applies. The court answered this question in the negative, in contrast to the clear ruling of the Board of Appeal of the Office for Harmonisation in the Internal Market (OHIM) in *Ferrari v Dansk Supermarked* (25th January 2008). According to OHIM, the standard against which the validity of a contested Community design should be assessed is the figure of a user of the product indicated in the application of the contested design.

Finally, in *Karen Millen* the High Court of Ireland acknowledged that it is desirable that there be consistency in the interpretation of the Community Design Regulation throughout the European Union, and that relevant decisions of the ECJ, other Community design courts and OHIM be taken into account; but it nonetheless refused to make a reference to the ECJ prior to determining the claim. According to the High Court, the parties had a right to appeal this decision on every issue of law to the Supreme Court, while the court, in its view, had not applied the Community Design Regulation differently from OHIM or other Community design courts.

The Bermuda triangle

A consistent and unified interpretation of the Community design regime throughout the European Union is crucial to its success. In fact, a key objective behind the Community design system was to establish

not only a “good system”, but also “the one and only system” – ideally, there should be no inconsistencies or deviations in its application, and no divergent decisions on the same legal issues in the various national jurisdictions.

OHIM and ECJ case law thus has special relevance for the national Community design courts (eg, the Hamburg Appeal Court decision in *Bakery Press* and the England and Wales Court of Appeal decision in *Procter & Gamble v Reckitt* both refer extensively to consistent OHIM case law). This also applies to case law rendered by other national Community design courts as regards the application of the Community Design Regulation (eg, the England and Wales Court of Appeal ruling in *Procter & Gamble v Reckitt* explicitly refers to Austrian case law). It is evident that future advice and decisions on Community designs cannot be limited to the national body of case law, but must take account of case law and theories stemming from other member states (where available and applicable).

Against this backdrop, one of the most pressing issues of Community design case law appears to be located within a metaphorical “Bermuda triangle” between Recital 14, Article 6(1) and Article 10(1) of the Community Design Regulation. All three provisions concern the “overall impression” that a design produces on the so-called “informed user”. Problematically, however, Recital 14 and Article 6(1) of the Community Design Regulation focus on the validity test – that is, a comparison of the overall impression produced by the asserted design and a single piece of prior art. In contrast, Article 10(1) of the Community Design Regulation deals solely with the infringement test – that is, a comparison of the overall impression produced by the asserted design and the accused design. Complicating things further, Recital 14 of the Community Design Regulation requires that the overall impression between the two “clearly differ”, while Article 6(1) of the Community Design Regulation requires that the overall impression simply “differ” (with a follow-up question as to whether to follow Recital 14 or Article 6(1) of the Community Design Regulation). Moreover, Article 6(1) of the Italian version of the Community Design Regulation also requires that the overall impression produced by the asserted design and the prior design “clearly differ” (with a follow-up-question of whether to follow the Italian version). Finally, there is also a question as to whether the *travaux*

préparatoires need to be taken into consideration (as suggested, albeit within a different matrix, by the England and Wales Court of Appeal in *Green Lane v PMS*).

These inconsistencies on key aspects of Community design law are a clear indication that preliminary rulings should be sought from Europe’s highest authority. The underlying questions outlined above are essential to a fundamental understanding of European design law – that is, how to determine correctly and consistently the validity and scope of protection of a (*per se* non-examined) Community design. Naturally, the answers to these questions – and the method of arriving at them – should be uniform. However, design practitioners appear to be lost in the “Bermuda triangle”, uncertain as to whether a “different” or a “clearly different” overall impression of the respective design is required by law; whether the criteria for the validity and infringement tests are the same (and as to the order in which such criteria should be applied); whether the court is allowed (or even obliged) to hear related expert witness; whether and to what extent the existing design corpus should be taken into consideration; and which of the various versions of the Community Design Regulation should prevail where there is a discrepancy in the wording.

Comparative case law on validity

While awaiting final guidance from the ECJ, it is useful to consider the different answers given by the national authorities and OHIM, in order to identify the most promising approach. We begin with a comparative view of major case law on the validity test. Interestingly, within three months of each other, the England and Wales Court of Appeal and OHIM’s Board of Appeal reached opposite conclusions on how to determine the relevant prior art. In *Ferrari v Dansk Supermarked* (25th January 2008), OHIM exclusively focused on what the applicant referred to in its contested Community design application (in this case, “toy cars”). Given that the underlying product belonged to a class of toy intended mainly for children – that is, simply shaped toy cars for playing with – the subjective criterion against which to assess the validity of the contested Community design, according to OHIM, would be the figure of a “player” rather than a “collector” of model cars.

In contrast, the England and Wales Court of Appeal in *Green Lane v PMS* (23rd April 2008) held that the “sector

concerned” within the meaning of Article 7(1) of the Community Design Regulation is the sector that comprises or includes the sector of the alleged prior art; and that prior art includes not only the specific sector to which the Community Design Regulation relates. Although the two decisions relate to different provisions – the informed user criterion of Article 6(1) of the Community Design Regulation on the one hand (*Ferrari v Dansk Supermarked*) and the disclosure criterion of Article 7(1) of the Community Design Regulation on the other (*Green Lane v PMS*) – both essentially concern how the relevant prior art to be considered by an informed user should be determined (in fact, Article 7(1) explicitly refers to Article 6 of the Community Design Regulation, so that the informed user of the prior design and the prior design itself need to stem from the same category). A comparison of the two decisions would suggest that much weighs in favour of the reasoning in *Green Lane v PMS*. Otherwise, the owner of the asserted Community design could limit the nature and scope of the potential prior art through the indication of the product in which the design is intended to be incorporated or to which it is intended to be applied. However, as correctly observed by the England and Wales Court of Appeal in *Green Lane v PMS*, pursuant to Article 10 of the Community Design Regulation, the scope of protection of a Community design does not limit infringement to articles for which the design is registered. Consequently, the holder of a Community design registered for a car is entitled to stop its use on a brooch or a cake or a toy, for example. It is only fair and consistent to request that same holder to accept prior designs for such items as part of the prior art against which the validity of the design must be examined.

Having established this first position, a second major issue is whether the overall impression of the prior design (as determined above) and the later asserted Community design must be merely “different” or “clearly different” (“much

blue water”, in the words of the England and Wales Court of Appeal in *Procter & Gamble v Reckitt*). Pursuant to the wording of Recital 14, the assessment as to whether a design has individual character shall be based on whether the overall impression produced on an informed user viewing the design “clearly differs” from that produced on him by the existing design corpus, with the English wording being identical to the French (“*claire*”), German (“*deutlich*”), Italian (“*nettamente*”) and Spanish (“*claramente*”) versions. However, the wording of Article 6 is also clear in stating that a design shall be considered to have individual character if the overall impression it produces on the informed user “differs” from the overall impression produced on such user by any design which has previously been made available to the public (again, the English version being identical at least to the French, German and Spanish versions). Looking at the *travaux préparatoires*, it is apparent that, according to the proposal for the Community Design Regulation presented by the European Commission on 3rd December 1993, the requirements for individual character were different from what subsequently became law. In particular, the overall impression according to this proposal required that the design differ “significantly” (this is true for the English, French, German, Italian and Spanish versions). This term was subsequently removed from the text of the Community Design Regulation, whereas the term “clearly” remained incorporated in Recital 14 only. However, in the Italian version, the word “significant” remains in Article 6(1) of the Community Design Regulation (“*in modo significativo*”). Hence, it is obvious that the term “*significativo*” appears in the Italian version through error and that this version should be interpreted in the same way as the others, none of which contains the word “clearly”.

Comparative case law on infringement

Finally, turning to the infringement test set out in Article 10(1) of the Community



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Design Regulation, the wording seems to be clear: the scope of the protection conferred by a Community design shall include any design which does not produce on the informed user a “different overall impression” – not a “clearly different” impression. In fact, the wording of all versions of the regulation is identical in this respect, and there is no existing theory or doctrine that would support an interpretation in the sense of “clearly different”. Against this background, by applying consistent terminology for both the scope of protection and individual character, the Community Design Regulation gives rise to parallel criteria. A high degree of individual character allows for a wide scope of protection, whereas a low degree of individual character permits only a limited scope of protection. If the informed user is willing to acknowledge individual character despite there being only small differences between the existing design corpus and the Community design, then in infringement proceedings he or she must equally deny that there has been infringement where such differences exist between the Community design and the contested embodiment (see Austrian

Supreme Court re *Sprayer*, 22nd May 2007).

In *Procter & Gamble v Reckitt* the England and Wales Court of Appeal appears to have neglected this principle of reciprocity when applying a “clearly different” requirement for validity and a “different” requirement for infringement. This approach creates disharmony in the assessment of design cases. In fact, it is a well-established principle of patent and design law in many countries that a piece of prior art which anticipates if earlier, infringes if later. Indeed, the language of the Community Design Regulation, by establishing the same standard for invalidity as it does for infringement, has explicitly incorporated this principle into Community design law.

Hopefully, these and other key requirements and issues – which are often decisive to the outcome of design infringement or invalidity proceedings – will be clarified by the ECJ. Community design courts and practitioners would be well advised to recognise the lack of consistent Community design law as a reality for the time being, with slim prospects of an early resolution by the ECJ. *iam*