

Max Planck Institute
for Innovation and Competition

Review of Design Legislation – Some thoughts on limitations of the rights conferred

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Issues to discuss

- When limitations are addressed in the context of discussions on design law reform, this regularly concerns
 - the need for/(mis)appropriateness of/ a repairs clause
 - private use in the context of 3D printing
- There is, however, more to talk about, due to
 - **extension of the design right to mere display of images** (*Nintendo* and its consequences)
 - the need for a **better alignment of design and copyright law**, in particular in the aftermath of *Cofemel*
 - repercussions of the **repairs clause** on other fields of law (inter alia with regard to *Ford v Wheeltrims*)



- ***Nintendo*** and its consequences

- The need for a better alignment of design and copyright law, in particular in the aftermath of *Cofemel*
- Repercussions of the repairs clause on other fields of law (inter alia with regard to *Ford v Wheeltrims*)



Nintendo and its consequences, I:

The issue presented to the CJEU in *Nintendo v. BigBen*

- BigBen makes remote controls and other accessories compatible with the Wii video games console and sells them via its website (as well as through its German affiliate)
- Nintendo claims the view that BigBen Germany and BigBen France's sale of certain goods made by BigBen France infringes its rights under the registered Community designs held by it. It also submits that those two companies cannot be recognised as having the right to use the images of the goods corresponding to those designs for their commercial activity.
- The case was referred to the CJEU by the Düsseldorf appeal court, asking inter alia *“whether [the CDR], particularly Article 20(1)(c), [is] to be interpreted as meaning that a third party may depict a Community design for commercial purposes if it intends to sell accessory items for the right holder's goods corresponding to the Community design? If so, what criteria apply to this?”*



Nintendo and its consequences, II:

The CJEU's position re breadth of infringement

- In the decision (C-24/16 and 25/16) the CJEU implicitly acknowledged that industrial design rights **can be infringed by showing an image** of the protected article in a commercial context.
 - While that understanding was taken for granted in some Member States (e.g. Germany) , it ran counter to the position endorsed in others (e.g. UK, Nordic countries).
 - The issue offers certain parallels with trade mark law:
 - Similar to the breadth of absolute protection under the “double identity clause“ the breath of the design right in case of mere showing of images was neither clarified in the wording nor the travaux of EU design legislation
 - Again similar to trade mark law, the catalogue of limitations in its current wording is not apt to deal with a broad approach to infringement



Nintendo and its consequences, III:

The CJEU's interpretation of the citation right

- In trade mark law the CJEU took resort to the “trade mark functions” to prevent an overreach of protection
- Different from that, CJEU in *Nintendo* rather took a **broad approach towards the citation/illustration right** in Article 20(1)(c) CDR.
 - Of central importance was the argument that “preventing an undertaking from using images of existing products upon the lawful sale of its own, newly developed products in order to explain or demonstrate the joint use of the products concerned could discourage innovation.”
 - While that may be helpful in the actual case, the extent to which the “referential use” of design images is permissible is still unclear in other situations



Nintendo and its consequences, III: Examples

- For instance, what about comparative advertising?
- And what about these cases?



<p>Ihre Vorteile</p> <ul style="list-style-type: none"> → reduzierte Fertigungskosten → Minimierung des Stillstandsrisikos und Erhöhung der Betriebssicherheit → Optimierte Materialausnutzung und Ressourcennutzung → Mehr Produktperformance, Lebensdauer und Gesamtwert → Reduktion der Materialkosten durch innovative Methoden 	<p>Ihr zuverlässiger Partner für betriebssichere Schienenfahrzeugtechnik</p> <p>Das Fraunhofer LBF Leistungsspektrum:</p> <ul style="list-style-type: none"> → Systembetrachtende Festigkeitsbewertung → Experimentelle Last- und Spannungsanalyse im Betriebszustand und Labor → Numerische Modellierung und Analysen von Wagenkästen, Drehgestellkomponenten und Rädern → Ableitung von Betriebsbelastungen und Bemessungskollektiven → Ableitung von mehraxialen Prüfprogrammen → Betriebsfähigkeitsuntersuchungen → Schadensanalyse und Gutachterstätigkeit <p>Numerische und experimentelle Projektbeispiele des Fraunhofer LBF:</p> <ul style="list-style-type: none"> → Ableitung zeitgeffter, mehraxialer Belastungsprogramme → Radatzprüfung, Kupplungen, Kabelverbindungen → Schweißungen, Drehgestellstrukturen → Wagonstrukturen, Verschleiß und Lager 	
<p>Aktueller Forschungsbedarf – innovative und betriebssichere Schienenfahrzeugtechnologien: Innovative Fahrwerkstechnologien, z.B. durch:</p> <ul style="list-style-type: none"> → leichte, leise und betriebssichere Fahrwerke oder → belastungsarme, aktiv geregelte Fahrwerke → verschleißarme, aktiv geregelte Stromabnehmer → leichte Schienenfahrzeuge mit geringen Lebenszykluskosten → Zuverlässigkeitsuntersuchungen an komplexen sicherheitsrelevanten Bauteilsystemen, wie z.B. Drehgestell, Bremsensystem, Kupplungen, ... → neue Diagnosesysteme, z.B. zur Realisierung instandhaltungsarmer Fahrzeuge 		
<p>Mit Sicherheit innovativ.</p>		



Suggestions

- In the interest of clarity and legal certainty, it is strongly recommended to stipulate expressly in Design legislation that visual references to a protected design is **admissible** if it is done for purposes of
 - presenting one's own product **as an alternative or as accessory or spare part** to the product of a competitor,
 - **illustration** in the context of lawful business activities,
 - **Comment, critique, or parody**
 - (other forms of) **artistic expression**
- as long as the use is in accordance with **honest commercial practices** and the interests of the design right holder are **not unreasonably prejudiced**.
- As the very minimum, a recital similar to recital 21, 3rd sentence EUTMR should be inserted in the preamble to the CDR and the Design Directive.



- *Nintendo* and its consequences
- **The need for a better alignment of design and copyright law, in particular in the aftermath of *Cofemel***
- Repercussions of the repairs clause on other fields of law (inter alia with regard to *Ford v Wheeltrims*)



Alignment with copyright, I:

Overview: A two-way road

- As the area of overlap between copyright and design protection (assumably) tends to increase in the aftermath of *Cofemel*, care must be taken to avoid that limitations applying under design law can be **circumvented** on the basis of copyright
- Vice versa, it should be clarified that if use of a design is permitted on the basis of limitations applying in copyright, **the same should apply** in design law, even where express limitations are – as yet - missing



Alignment with copyright, II:

Cofemel and the principle of “*unité de l’art*”

- In *Cofemel* (concerning copyright protection of apparel) the CJEU declared that the standards first enunciated in *Infopaq* also apply to works of applied art simultaneously qualifying for design protection, thus establishing the principle of **unité de l’art** throughout the EU
 - The **reservation** made for the diversity of national standards in Art. 17 Dir and Art. 96(2) CDR has thereby become **moot**
- The CJEU contends that copyright should be reserved to **certain cases**, thus rejecting the notion of “*cumul total*”
 - However, the Court **does not give clear guidelines** as to how the distinction between both fields should proceed
 - The criteria established in **CJEU jurisprudence on copyright protection** (“own intellectual creation”; free creative choices”; “not dictated by technical considerations, rules or constraints which leave no room for creative freedom”; “identifiable with sufficient certainty and objectivity”) are hardly able to provide secure guidance



Alignment with copyright, III:

Potential reactions to *Cofemel*

- One pragmatic reaction to *Cofemel* would be to adopt the CJEU’s language (e.g., ban any reference to “aesthetics” or similar vocabulary evoking the impression of subjective evaluation) while **applying the same criteria as before** (see to that effect Leistner, GRUR 2019, 1114-1120).
 - However, that means that **national diversities linger on** under the camouflage of common language, which is not desirable in the longer run
- Second, the EU legislature could explicitly **re-establish the prerogative of national law** to fix the relevant protection threshold for works of applied art
 - However, reaffirming and prolonging legal fragmentation in that regard is not advisable
- Thirdly, the most recommendable way to proceed is to **align both areas**, where and to the extent that is possible in spite of their conceptual differences.



Where copyright and design law could be synchronised, 1

- In principle, design law and copyright could be aligned even with regard to the grossly diverging **terms of protection**
 - However, that move would hardly be politically acceptable, also because copyright of works already protected cannot be taken away
- More promising is an alignment of **limitations**
 - The current catalogue of limitations found in Art. 5 Infosoc Directive is only optional and **rather restrictive vis-à-vis** use of a work in a commercial context
 - In spite of that the CJEU has already clarified in *Dior/Evora* that **advertisement for goods lawfully sold on the market** cannot be prohibited on the basis of copyright
 - A similar attitude should prevail (and if possible, be expressed in the text or at least the preamble of a future legislative act) vis-à-vis copyright in the appearance of useful, everyday products commercialised on the market
 - A reservation needs to be made, however, regarding violation of **moral rights**



Alignment with copyright, V

Where copyright and design law could be synchronised, 2

■ Just a reminder:

- Synchronization in the aftermath of *Cofemel* may also have to look into
 - contractual matters
 - Scope of protection



Alignment of copyright, Vi:

On the other side of the road

- As pointed out before, alignment between design and copyright law is no one-way street
 - A number of (optional) copyright limitations are **not listed in design law**, although they might be of relevance, namely:
 - designs made to be located permanently in public places;
 - the incidental inclusion of a design in other material;
 - news reporting;
 - use to the benefit of people with disabilities
 - and possibly more
 - It should be clear that if such limitations apply, the use made should also be exempted under design law.
 - This should be clarified in the course of amendments



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The repair clause and its repercussions, I:

The status quo

- The protection of spare parts has been **contentious** from the beginnings of design legislation
 - In the past, Commission proposals for introducing a **repairs clause** (during the legislative process and thereafter) were halted
 - In the consultation conducted by the Commission in 2019, lack of harmonisation in regard of spare parts/repairs clause was a **main source for discontent** among users of the design system
- In the light of new legislation in France and Germany, the **prospects for harmonisation** have become more promising



The repairs clause and its repercussions, II:

Alignment with copyright

- As pointed out before, the (most likely) tendency of increasing overlap between copyright and design protection in the aftermath of *Cofemel* makes it **necessary to prevent circumvention** of provisions applying in one area on the basis of those applying in the other
- It is therefore important to ensure that protection for parts of complex products **cannot be claimed on the basis of copyright** where such claim is covered by the (future) repairs clause in design law
 - The issue has already triggered relevant legislation in France (new paragraph 12 inserted in Art. 122-5 cpi).



The repairs clause and its repercussions, III:

Alignment with trade mark law – the principle

- The **interface between design and trade mark law** in regards to the spare parts issue can come into play in two different ways:
 - The part as such can be protected as a mark
 - A trade mark or logo can be displayed on the part
- The CJEU has clarified in *Ford/Wheeltrims* that a repairs clause included in design law **cannot be applied horizontally** so as to produce effects inter alia in trade mark law
 - Instead, the **usual conditions for trade mark infringement** apply
 - in case of “double identity“, this includes an assessment of whether the trade mark functions are (or may be) jeopardized



The repairs clause and its repercussions, IV:

Alignment with trade mark law – conflicts ahead?, 1

- Regarding the part as such, it is **unlikely** under the CJEU’s jurisprudence post *Hauck/Stokke* **that trade mark protection could be granted**
 - To the extent that the shape of the part depends on the form of the complex product in its entirety, its “essential characteristics” are “inherent in the generic function” that the part is meant to perform
 - In any case, as long as the part is **clearly marked as originating from a different source** than the original producer, it can be argued that the origin function is not jeopardized (see CJEU *Opel/Autec*)
 - Alternatively, the (new) limitation for “non-distinctive signs” may apply (depending on its interpretation in practice, which which is still somewhat unclear)



Alignment with trade mark law – conflicts ahead?, 2

■ If the part **carries the trade mark or logo** of the original producer, this creates a dilemma:

- The CJEU has held in *Acacia* that independent makers can only benefit from the repairs clause if the part reproduced is **identical** to the original part
- On the other hand, according to *Ford/Wheeltrims* reproducing the logo would be (most likely) infringing
- Anchoring a positive solution in (trade mark?) law would be desirable, but seems difficult to implement



Example: In a case decided by the German Federal Supreme Court, the defendant only reproduced the suspension arrangement for the logo – but was still found infringing

Thank you for your attention

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