

Observations of ANBPPI / BNVBIE about EU Legislation on Design Protection

(Public consultation on Design protection in the EU launched on 18 Dec. 2018)

Definition of a “design”, Requirements for protection and Scope of design protection

About ANBPPI / BNVBIE and these observations

The Belgian National Association for the Protection of Industrial Property (in French: Association nationale belge pour la protection de la propriété industrielle – ANBPPI; in Dutch: Nationale Belgische Vereniging voor de Bescherming van de Industriële Eigendom - BNVBIE) (hereinafter “ANBPPI / BNVBIE”) regroups more than 100 practitioners in the field of intellectual property law, i.e. patent and trademark attorneys, lawyers, in-house counsels and academics.

ANBPPI / BNVBIE aims to contribute to a fair and appropriate protection of industrial property, both nationally and internationally. Counterfeiting has always existed, now more than ever. An orderly and transparent governance on national, European and international level to fight infringements is crucial and since more than a century, our association contributes hereto.

Almost all ANBPPI / BNVBIE's members are members of the Belgian Group of AIPPI (Association internationale pour la protection de la propriété intellectuelle), and they are actively involved in the international activities of AIPPI. More information is available at www.aippi.org and www.aippi.be. AIPPI is the world's leading professional association for the development and improvement of the protection of intellectual property in the broad sense, with over 9000 members worldwide, mostly legal, technical, scientific, and economic specialists in the field of protection of intellectual property rights.

Each year, our national association organises several seminars or lunch discussions on current topics related to intellectual property, as well as a study day about legal and practical aspects of IP on Belgian, Benelux and European level. We examine proposals for the Belgian, Benelux and European law on IP and make recommendations to the relevant authorities. We also examine current issues related to IP on international level and offer Belgian reports in connection with the activities of AIPPI. This results in a precious source of information as regards law and practice.

Several standing committees prepare the Belgian reports for AIPPI and examine other topics of importance for the users of intellectual property legislations.

The Board of our association was informed of the public consultation launched by the European Commission in December 2018 about Design legislation. The Board unanimously decided to submit observations about what it considers as a central issue in the field.

These observations were prepared by the standing committee “Design Law” and submitted to all members by e-mail and thereafter during the meeting of 14 March 2019. The text was accepted and the standing committee has the honour to submit these observations to the European Commission.

Observations answering question 39 : definition of a “design”, requirements for protection and the scope of design protection

1. The following observations are centred on the novelty and individual character requirements as well as the scope of protection in terms of products. Beyond these issues, the debate is about the legal conception of the design as subject-matter of the protection.

These observations originate in recent case law developments, in particular the *Group Nivelles* judgement of the Court of Justice (cases C-361/15 P and C-405/15 P)¹, which in the opinion of ANBPPI / BNVBIE deviates from the initial intent of the EU legislator or at least from what the actual result of the design protection should be.

Reference will be made hereinafter to Regulation 6/2002 (“CDR”) but parallel provisions of Directive 98/71 are equally meant by these observations. Also the Unregistered Community Design is concerned by them, *mutatis mutandis*.

The debate is essentially about the so-called speciality principle in design law, according to which the validity assessment and the scope of protection of a given design are restricted to the same product (“specific product speciality principle”) or at least to the products belonging to the same sector of products (“sector speciality principle”) as the product(s) indicated in the application or registration.

For the reasons explained hereinafter, ANBPPI / BNVBIE is in favour of the sector speciality principle.

ANBPPI / BNVBIE is further of the opinion, like many scholars, that the assessment of infringement of a design and the assessment of novelty and individual character of the design at issue compared to a prior design are the two sides of the same coin; the same criteria should be applicable.

The abandonment of any speciality principle in design law leads to an inadequate protection of the designs with detrimental consequences for designers, users and industry in general.

2. In its *Group Nivelles* judgment, the E.U. Court of Justice stated in that respect and a.o. the following:

“ 92. ... it must be held that if ESS’s position that a design’s protection depends on the nature of the product in which that design is incorporated or to which it is applied were to be accepted, such protection would be limited only to the designs belonging to a specific sector. Such a position cannot therefore be accepted.

93 In addition, as the General Court was right to hold in paragraph 115 of the judgment under appeal, it follows from both Article 36(6) and Article 19(1) of Regulation No 6/2002 that a registered Community design confers on its holder the exclusive right to use the relevant design in all types of products, and not only in the product indicated in the application for registration. ...

¹ See in the Belgian legal literature: H. VANHEES, “Na het douchegoot-arrest van het Hof van Justitie: eindelijk duidelijkheid over de beschermingsvoorwaarden en de beschermingsomvang in het modellenrecht”, *IRD* 2017, afl. 3, pp. 169-183; F. de Visscher, obs. “Un clair-obscur en recherche de cohérence” to be published in *L’ingénieur-Conseil ICIP* 2019. In the Netherlands: P.G.F.A. GEERTS, < Noot >, *IER*, 2017, pp. 473-477; Ch. Gielen, annotation to *EUCJ*, 21 September 2017, *NJ* 2018/360, *IEF* 18047, *IEFbe* 2769.

96 ...the General Court was right to hold in paragraph 116 of the judgment under appeal that, having regard to the interpretation of Articles 10, 19 and 36 of Regulation No 6/2002, a Community design cannot be regarded as being new, within the meaning of Article 5(1) of that regulation, if an identical design has been made available to the public before the dates specified in that provision, even if that earlier design was intended to be incorporated into a different product or to be applied to a different product. The fact that the protection granted to a design is not limited only to the products in which it is intended to be incorporated or to which it is intended to be applied must therefore mean that the assessment of the novelty of a design must also not be limited to those products alone. ...

99 ...the question of whether there is disclosure to the public is dependent only upon how that disclosure is in fact achieved and not upon the product in which that design is intended to be incorporated or to which it is intended to be applied. ...

128 When a design is considered to have been made available to the public, within the meaning of Article 7(1) of Regulation No 6/2002, that disclosure is valid for the purposes of the assessment both of novelty, within the meaning of Article 5 of that regulation, of the design to which the disclosed design is compared, and of the individual character of that first design, within the meaning of Article 6 of that regulation. "

3. However, it is rather unclear whether the Court did rule on the question whether the sector concerned is relevant for the purpose of assessing the individual character, within the meaning of Article 6 CDR, of a design.

The Court left untouched the reasons adopted by the General Court under which " *the sector concerned is relevant for the purpose of assessing the individual character within the meaning of Article 6* " (para. 135). The Court did neither approve nor contradict these reasons.

4. The CJEU essentially based its reasons on the text of Article 10 CDR ("Scope of protection") which reads:

"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".

Article 36 (2) and (6) CDR ("Conditions with which applications must comply"), was also referred to, which provides:

"2. The application shall further contain an indication of the products in which the design is intended to be incorporated or to which it is intended to be applied.

[...]

"6. The information contained [...] in paragraph 2 [...] shall not affect the scope of protection of the design as such."

This Article 36 (2) and (6) was viewed by the Court as excluding the application of the speciality principle, given that any information on the products in which the design is intended to be incorporated (and thus the category of products or the sector concerned) shall not "affect" the scope of protection of the design as such.

5. In summary, the *Group Nivelles* judgment is clear in rejecting any idea of a speciality rule for (i) examining the novelty and (ii) determining the scope of protection.

It is not certain the Court rejects it as well regarding the individual character.

Several legal and practical difficulties arise a.o. from the undefined “relevancy” of the sector in verifying the individual character of a design as well as the impact of it in examining an alleged infringement.

6. For several reasons briefly explained hereinafter, ANBPPI / BNVBIE is of the opinion that the abandonment of the so-called speciality rule is not legally justified and constitutes a negative development of EU design law as an industrial property law.

By such development EU design law comes closer to a copyright protection system (where the scope of protection is not limited by the nature of the products) and loses its specificity and usefulness for the design creators and users.

7. Coherence in the legislation and legal certainty would be better served by adopting a sector speciality rule which ANBPPI / BNVBIE firmly believes should be the correct application of the legislation in conformity with EU Legislator’s intention.

7.1. Although not legally binding, recital 14 in the preamble of the CDR should have been given greater consideration and weight in the interpretation of said regulation : *“The assessment as to whether a design has individual character should 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, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design”* (own emphasis).

The nature of the product and the sector to which it belongs, are therefore of the essence.

Further, the informed user is correctly and constantly defined by the case law as being a person who *“uses the product in which the design is incorporated, in accordance with the purpose for which that product is intended. The qualifier ‘informed’ suggests in addition that, without being a designer or a technical expert, 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. ... the notion of the informed user may be understood as referring, not to a user of average attention, but to a particularly observant one, either because of his personal experience or his extensive knowledge of the sector in question”* (see judgment of 29 November 2018, *Sata*, T-651/17, para. 19 and 20, and the case-law cited) (own emphasis). Even if, as correctly decided by the *Group Nivelles* judgment, no actual knowledge of the prior art objected against the design is required, the notion of the informed user clearly means that he/she is a person having a certain knowledge and experience in a given sector of products, and relating neither to any and all possible products nor to designs abstracted from products.

Also the degree of freedom in developing the design, mentioned in recital 14 and repeatedly referred to in the case law as well, is not conceivable without taking into account the concrete nature of the concerned product. A shape or a drawing can be influenced or possibly caused by the nature of a product X and less, if not at all, by the nature of a product Z.

Taking into account all kinds of products for individual character (like for novelty), on the one hand, while considering only a given sector or product for the freedom in designing, on the

other hand, exposes the designer / applicant and the judge to a sort of dichotomy approach where the informed user is unlimited and limited in his experience/knowledge at the same time.

7.2. It is also clear that the exclusion of features solely dictated by the technical function of the product (art. 8) cannot be assessed without taking into account the concrete nature of the products concerned. If the scope of protection is extended to all kinds of products, it looks rather strange to exclude the protection of technically dictated features in hypotheses, which can be frequent, where the allegedly infringing products are of such a nature that the technical function is not relevant.

7.3. Further, if the sector is “relevant” (according to the General Court, not overturned by the *Group Nivelles* judgment) for the individual character, but not relevant for the novelty, the delineation between “difference only in immaterial details” (art. 5, para. 2) and “difference in the overall impression” (art. 6) will become of crucial importance for determining the scope of prior art to be opposed to the contested design while such delineation is sometimes not very easy.

7.4. The abandonment of any speciality rule is also hardly compatible with the requirements of indicating the product in the application, the whole classification system and the need (legal certainty) for the users to know the existing design rights by consulting the registries.

7.5. The interpretation of art. 10 CDR is too literal while the word “design” could read in the meaning of the definition in art. 3 (a) CDR under which a design is the appearance of a product, and not any appearance *per se* (see hereinafter para. 8).

Equally, art. 36 (6) CDR could have been interpreted as meaning that the information referred to (art. 36 (2) and (3) (a) and (d) CDR) shall not affect the scope of protection in the sense that (i) the representation as such of the design (art. 36 (1)(c) CDR) remains the decisive basis for validity and infringement assessments, and (ii) the notion of the informed user is not limited to the specific products and classification mentioned but can extend to the sector in which the user is knowledgeable.

7.6. Another difficulty arises out of the extension to all kinds of products when considering drawings (2-D designs) on the one hand and shapes (3-D designs) on the other hand. It can be relatively easy to determine and isolate a drawing as a “design” as such separately from the product, and then finding the “design” in any kind of prior art. This is less the case when examining shapes where their 3-D nature makes them intrinsically bound with the product also in relation with the function of it, whereby a sort of discrimination can exist detrimentally to the drawings because they are then more exposed to a larger field of prior art. The difficulty disappears if only the product(s) aimed at in the application/registration is(are) always taken in consideration.

8. Further, the abandonment of any idea of speciality in assessing the novelty and individual character as well as in defining the scope of protection reflects a comprehension of the design as an abstract entity detached from the product, contrary to what the subject-matter of the protection should be. Such approach is incorrect.

Article 3 (a) defines ‘design’ as “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation” (own emphasis).

The emphasized words and the whole wording itself underline the link between the appearance and the product.

The 'design' meant by the legislation is not an abstract appearance detached from the product. It is the "*appearance of a product*".

Further, such appearance is the appearance "*resulting from features of the product itself or its ornamentation*". In other words, the appearance as such and as to be protected is determined by the product or the ornamentation of it.

Therefore, the concrete character of every design, i.e. its intrinsic link with a given product, should be kept in mind in the application of several provisions in the legislation.

To the contrary, an abstract approach of the design results in consequences that are not in line with the purposes of the legislation nor the needs of the designers, the users and the industry in general.

The terminology used in the legislation ("*the product in which the design is incorporated or to which it is applied*") does not support such an abstract conception of the design, to the contrary. It is justified because the design is not the product itself but only the appearance thereof. When referring to the product concerned itself in relation with the design the legislator had to find an adequate wording. The Benelux legislation prior to the Directive and the Regulation used exactly the same terminology and implemented a concrete notion of the design with a speciality rule (although perhaps in a somehow too strict manner, closer to a "specific product speciality rule").

9. From a policy point of view, it should be stressed that absent a speciality rule, it will become more difficult to obtain a valid design protection. Indeed, all shapes, drawings and other appearances of products in all sectors whatsoever will constitute novelty and individual character destroying prior art. For example, the registration or commercialisation of a pan handle for cooking utensils will prevent the design registration of a similar shape for a door handle, a spectacle case or a chocolate bar (which however might have a novel and individual character for that type of products).

In that regard, the interpretation of art. 7 para. 1 CDR in the *Group Nivelles* judgment is a matter of particular concern. The phrase "*circles specialised in the sector concerned*" in the context of the exception to the notion of public availability of a prior art is interpreted by the Court as not limited to the product concerned by the application/registration (para. 103 and 129 of the judgment). This means that in order to object a prior art opposed to the design, the owner of it should not only prove that the prior art could not reasonably have become known to the circles in the E.U. specialised in the sector of the products mentioned in the application/registration but also to the specialised circles of another sector than his/her one, namely of the products of the prior art objected and possibly of all other sectors (because all of them are now relevant).

All this weakens considerably the design creators' legal position in the E.U. as it exposes them to a larger prior art with aggrieved difficulties in objecting prior art alleged by importers of infringing products.

In turn, the larger protection resulting from the absence of a speciality rule means that once (and if) a design is recognised as valid, the scope of protection is not limited while such extended protection is very often not needed.

Such a large protection scope means also less legal security for the users and a more restricted access to a legal protection for the design innovators.

The abandonment of the rule makes the protection far more difficult to obtain and, if admitted, generally extending far beyond the actual need of the creator or the proprietor/user.

It should be also stressed in that respect that if there is a need for a protection for multiple kinds of products, registration can be sought for in respect of each of them (apart from other legal ways of protection, e.g. copyright, with a more or less similar effect: see art. 96 CDR).

More generally, one can legitimately consider that such abandonment, and consequently the difficulty in obtaining design protection and the broader risk of infringing a prior design right, does not comply with the purposes of CDR as worded in its recitals 7 and 8, in particular "*a more accessible design-protection*" and the encouragement of the "*innovation and development of new products and investment in their production*". The words "new products" are clear; to the contrary, the abstract approach makes such development riskier.

The protection should not exclude the merits of those who innovate by transporting visual features from one sector to another one and thereby create new products, an innovation that requires imagination and implementing fitting measures to the product(s) concerned.

Legal certainty and legislator's intent would be better served by a system whereby the nature of the products at stake is taken into account.

Such speciality rule is not more difficult to apply by the users and the courts than the notion of similar goods or services under the trademark legislation.

A "sector speciality principle" seems thus the most equitable and useful solution.

Brussels, 22 March 2019.

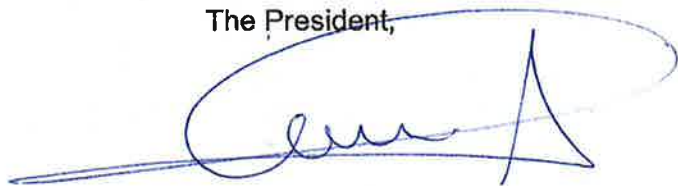
On behalf of ANBPPI /BNVBIE,

The Standing Committee for Design Law,



F. de Visscher, chairman

The President,



André Clerix

The standing committee for Design Law of ANBPPI / BNVBIE is composed of Mr. Fernand de Visscher (chairman), Prof. Dr. Hendrik Vanhees, Ms. Sarah van den Brande, Ms. Judith Bussé, Ms. Annick Mottet, Mr. Domien Op de Beeck, Mr. Christian Deconinck, Mr. Emmanuel Cornu and Mr. Geert Philipsen.

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