

Question Designs 2016



National Group: The Netherlands

Title: Designs: Requirements for protection of designs (with a particular focus on the role of functionality)

Contributors: Nine Bennink, Linda Brouwer, Arnold Freeke, Arnout Gieske, Arnout Groen, Robin van Kleeff, Hidde Koenraad, Kurt Stöpetie, Moira Truijens (chair), Nils Winthagen.

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Questions

I. Current law and practice

- 1) Does your Group's current law provide for an intellectual property right (registered or patented) that specifically protects the outward appearance or ornamentation of an object or article of manufacture?

Yes, drawings or designs are protected by a Benelux or Community design right (see resp. Article 3.1(2) Benelux Convention of Intellectual Property (hereafter: 'BCIP') (that is the implementation of Article 1(a) of Directive 98/71/EC on the legal protection of designs, hereafter: 'Directive')) and Article 3(a) Community Design Regulation 6/2002/EC (hereafter: 'CDR')).

- 2) If yes, what is this right called? (e.g. registered design, design patent, industrial design, industrial design patent)

Registered design (either a Benelux design right, or a Community design right).

- 3) What are the statutory requirements for such right?

The statutory requirements for obtaining a Benelux registered design are (a) novelty and (d) individual character. These requirements are stated in Article 3.1(1) BCIP, which implements Article 3(2) Directive. The further specifications of novelty and individual character are set out in Article 3.3 BCIP.

Likewise, the statutory requirements for obtaining a Community registered design are novelty and individual character. These requirements are stated in Article 4(1) CDR, further specifications of novelty and individual character are set out in Article 5 and 6 CDR respectively.

- 4) Does your Group's current law deny design protection to a design with an appearance that is dictated solely by its function¹?

Our Group's current law denies design protection to a design with an appearance that is dictated solely by its function.

For Benelux registered designs, this rule is set out in Article 3.2(1)(a) BCIP, which implements Article 7(1) Directive.

For Community registered designs, this rule is set out in Article 8(1) CDR. Art. 8(1) CDR excludes protection of "*features of appearance of a product which are solely dictated by its technical function*". The 'solely' criterion is applied rather strict (in particular by the examiners and the various divisions of EUIPO), in that design features which (also) have an aesthetic quality are not excluded from design protection (see General Court 21 May 2015, *Senz / OHIM* and *Impliva*, T-22/13 and T 23/13, par. 100-101).

- 5) If yes, what are the relevant factors to determine whether or not a design is deemed unprotectable as being functional?

The relevant factors to determine whether or not a design is deemed unprotectable as being functional are:

- whether the overall appearance is dictated solely by its technical function;
- whether each portion of the overall appearance is dictated solely by its technical function;
- the need to achieve the product's technical function was the only relevant factor when the design is question was selected.

See CJEU 18 June 2002, *Philips / Remington*, C-299/99, par. 80-84; CJEU 14 September 2010, *Lego/OHIM*, C-48/09, par. 46; Court of Appeal in The Hague 30 November 2010, *Hans Grohe / Tiger*, IEPT 20101130, par. 17).

- 6) Does your Group's current law deny design protection to any portions (e.g. a "feature", "element") of the overall design that are deemed functional?

Yes, by virtue of Article 3.2 (1)(a) BCIP and Article 7(1) Directive features of the appearance of a product which are solely dictated by its technical function shall be excluded from design protection (see under 4-5).

- 7) If yes, what are the relevant factors to determine whether or not a portion is deemed functional?

The relevant factors to determine whether or not a portion is deemed functional are:

¹ Our Group adhered to the definition of functionality provided in (para. 14 of) the Study Guidelines, i.e. "functionality" always refers to technical functionality and never to "aesthetic functionality".

- whether the overall appearance of the portion is dictated solely by its technical function; and
- whether the need to achieve the product's technical function was the only relevant factor when the portion in question was selected.

These exceptions are set out in Article 3.2 (1) (a) BCIP (based on Article 7(1) Directive) for Benelux registered designs, and in Article 8(1) CDR.

- 8) What is the effect on the scope of protection of a design with one or more functional portions?

The validity as such should not play a role in the scope of protection discussion, since the validity has to be assessed before looking at the scope of protection. (Invalidity Division OHIM 9 January 2012, Camatic / Barker Brettel, ICD 8384, par. 11: "Features of a contested RCD which are excluded from design protection according to Article 8(1) or 8(2) CDR cannot contribute to the novelty and individual character of the RCD. Therefore, an assessment of the requirements of protection under Article 4, 5 and 6 CDR must necessarily be preceded by an assessment of the requirements of Article 8 CDR within the scope of examination defined by Article 63(1) CDR, namely on the basis of the facts, evidence and arguments provided by the parties.")

However, the effect on the scope of protection of a design with one or more functional portions, is that any portions deemed functional will not be taken into account when assessing infringement, but in practice (in the Dutch courts) they can play a role in the overall comparison (cf. (by analogy of copyright law) Supreme Court 22 February 2013, Stokke / H3, NJ 2013/501, par. 3.4e).

The group's law is therefore unsettled. CJEU has yet to provide further clarification on these issues regarding the validity and infringement assessment of designs.

II. Policy considerations and possible improvements to your current law

- 9) How can the following aspects of your Group's current law be improved, if at all?

Although in a practical sense registrations are often found deficient, this does not lead to the conclusion that improved rules need to be put forward on a statutory level. Likewise, as the statutory provisions on the above subjects (a, b and c) are seen as sufficiently clear, no improvements are being proposed.

- 10) Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

Apart from the above side note (question 9), no other policy considerations or proposals for improvement have come into consideration.

III. Proposals for harmonisation

- 11) Does your Group consider that harmonisation in the three areas in question 9) above is desirable?

Generally speaking, more uniform rules with regard to the three areas mentioned in question 9 (definition, requirements for protection, treatment of functionality) are seen as beneficial for (potential) users of the designs system.

A proposal supported in this light is to rephrase article 25 (1) TRIPs so that it is no longer optional, but obligatory, to provide that (a) designs are not new (or original) if they do not significantly differ from known designs, and (b) that such protection shall not extend to designs dictated essentially by technical or functional considerations.

However, within the European Union and its Member States, including the Benelux-countries, no further (legislative) harmonisation is required in the three areas in question 9, although further guidance by the Court of Justice of the European Union on the interpretation of the treatment of functionality (item c) would be most welcome.

As regards the purposive construction of the CDR and the Directive, as a general rule, interpretation should, where possible, accommodate the relevant international agreements, including the Paris Convention, TRIPs, as well as the Locarno Classification and the Hague Agreement Concerning the International Registration of Industrial Designs.

As regards possible inconsistencies between the CDR or the Directive on the one hand and national law and practice on the other hand, the European law takes precedence, and overrides national law or practice to the extent of any inconsistency. Any national law, rule, or practice that prevents the CDR or Directive from being given full force and effect must be set aside. See amongst others Case C-6/64 Flaminio Costa v ENEL ECLI:EU:C:1964:66 (CJEU, 15 July 1964) 593-4 and Case C-213/89 The Queen v Secretary of State for Transport, ex parte Factortame Limited and Others ECLI:EU:C:1990:257 (CJEU, 19 June 1990). The aims of European harmonisation will best be served by less reliance on national law (see also D. Stone, European Union Design Law, Second Edition, Oxford, 2016).

- 12) Should there be harmonisation of the definition of an intellectual property right that specifically protects the outward appearance or ornamentation of an object or article of manufacture?

No, for the European Union and its Member States, including the Benelux-countries, the CDR and the Directive already include a harmonised definition of a “design” (article 3 (a) CDR, 1(a) Directive and 3.1 (2) and (3) BCIP).

This definition is obviously given an EU-wide interpretation by the Court of Justice of the European Union (in final instance). See amongst other Case C-32/08 FEIA v Cul de Sac Espacio Creativo SL ECLI:EU:C:2009:418 (CJEU, 2 July 2009) para 63: “Thus, it follows from the need for uniform application of Community law and from the principle of equality that the terms of a provision of Community law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the Community, having regard to the context of the provision and the objective pursued by the legislation in question (see, inter alia, Case 327/82 Ekro [1984] ECR 107, paragraph 11; Case C 287/98 Linster [2000] ECR I-6917, paragraph 43; and Case C 316/05 Nokia [2006] ECR I-12083, paragraph 21).”

In addition, as a general rule, interpretation of this definition should, where possible, accommodate the relevant international agreements, including the Paris Convention,

TRIPs, as well as the Locarno Classification and the Hague Agreement Concerning the International Registration of Industrial Designs.

13) If so, what should that right be called?

The preferred name is: registered design. Other terms such as 'design patent' and 'industrial design' may give rise to confusion with utility models or technical patent rights.

14) What should the requirements for such right be?

The object of protection by a (harmonised) design right – as preferred by the Dutch Group - is the outward appearance of a product without regard to the functionality or (other) merits of that appearance. With a view to that, the presently existing requirements of (i) novelty and (ii) individual character are deemed satisfactory. The basis and application of these requirements have been set out under question 3.

The requirements of non-obviousness, inventive step, and originality are best excluded as in the above view they are not relevant to the protection afforded by a design right.

The same holds true for the qualification as 'ornamental'. Where that requirement – in effect – would serve to exclude designs whose appearance is solely dictated by its function, it would seem preferable to merely include an exclusion to that effect, as has been introduced in 8 (1) CDR, 7(7) Directive and 3.2 (1) (a) BCIP.

15) Should design protection be denied to a design with an appearance that is dictated solely by its function?

Yes, when an appearance of a design is dictated solely by its function design protection should be denied.

For Benelux registered designs, this rule is set out in Article 3.2(1) (a) BCIP, which implements Article 7(1) Directive.

For Community registered designs, this rule is set out in Article 8(1) CDR.

Patent law provides an intellectual property right that specifically protects the technical function of an object.

16) If yes, what should the relevant factors be to determine whether or not a design is deemed unprotectable as being functional?

The relevant factors to determine whether or not a design is deemed unprotectable as being functional are:

- whether the overall appearance is dictated solely by its technical function;
- whether each portion of the overall appearance is dictated solely by its technical function; and
- the need to achieve the product's technical function was the only relevant factor when the design in question was selected.

- 17) Should design protection be denied to any portions (e.g. a "feature", "element") of the overall design that are deemed functional?

Yes, any portions of the overall design that are deemed functional should be denied design protection. For Benelux registered designs, this rule is set out in Article 3.2(1)(a) BCIP, which implements Article 7(1) Directive. For Community registered designs, this rule is set out in Article 8(1) CDR. Reference is made to the answer to question 5. The technical functional portions of the design may be protected with a patent right.

- 18) If yes, what should the relevant factors be to determine whether a portion of a design is functional?

The relevant factors be to determine whether a portion of a design is functional are:

- whether the overall appearance is dictated solely by its technical function; and
- the need to achieve the product's technical function was the only relevant factor when the portion in question was selected.

The availability of alternative appearances for the portion to obtain the same functional result should not (in itself) be decisive. This circumstance is merely a possible viewpoint in determining whether the overall appearance is dictated solely by its technical function.

- 19) What should the effect be on the scope of protection of a design with one or more functional portions?

The effect be on the scope of protection of a design with one or more functional portions is that any portions deemed functional will not be taken into account separately when assessing infringement, but can play a role in the overall comparison.

- 20) If your answer to question 11) is no, is it your Group's view that a (registered or patented) intellectual property right that specifically protects the outward appearance or ornamentation of an object or article of manufacture should not be available at all?

Not applicable.

- 21) If yes, why?

A further harmonisation of the relevant criteria is mainly in the interest of the participants in the marketplace. Uniform criteria lead to an uniform level of protection and thus more legal certainty. Further harmonisation will thus limit the risks attached to international trade.

- 22) If your answer to question 11) is not in relation to some but not all of the three areas set out in question 9) above, please state why your Group does not consider that harmonisation in that area(s) desirable.

Not applicable.

- 23) Please comment on any additional issues concerning any aspect of the definition and requirements for protection of designs, or the role of functionality, you consider relevant to this Study Question.

No comments.