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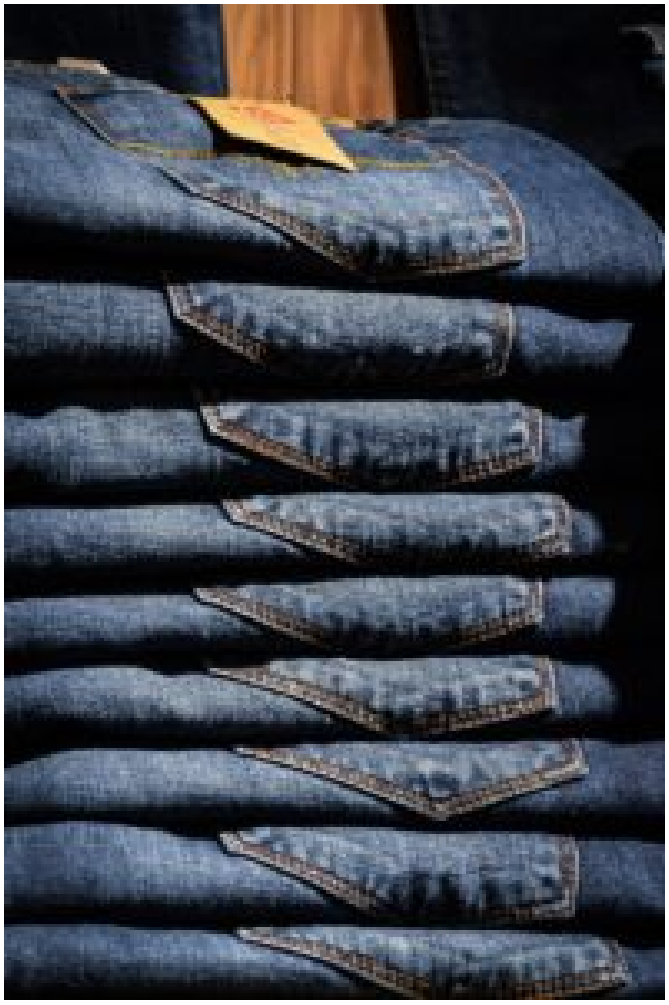
Member States can no longer require a higher level of originality for works of applied art/designs, says AG Szpunar in Cofemel

Estelle Derclaye (The University of Nottingham) · Friday, May 3rd, 2019



Copyright and design – too many layers of protection for G-Star Raw jeans and other functional creations?

On 2 May 2019, Advocate General Szpunar delivered his opinion in Case C-683/17, *Cofemel – Sociedade de Vestuário SA v. G-Star Raw CV* (not yet available in English). The case concerned designs for t-shirts and jeans made by G-Star Raw. In essence, the question posed by the Portuguese Supreme Court is whether Member States have the freedom to choose the level of originality pertaining to works of applied art, industrial designs and works of design or whether they must apply the CJEU standard of "the author's own intellectual creation" (AOIC) to such works. AG Szpunar chose the latter option.

In his opinion, he starts by mentioning that such works often enjoy double protection via copyright and design right which can entail competition problems in view of their utilitarian function and this is why certain countries require that they display a higher level of originality. This led to the question posed to the Court.

The AG then proceeds to destroy the parties' arguments which were mainly based on article 96(2) of the Design Regulation (No. 6/2002) and the corresponding article (art. 17) in the Design Directive (98/71), which states that: "A design protected by a design right registered in or in respect of a

Member State in accordance with this 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." His main argument is that the Member States' margin of appreciation given in this provision applies so long as there is no harmonisation of copyright. Since this harmonisation has happened via the Information Society Directive and the subsequent case law of the CJEU, Member States have lost this discretion (paras 37-39). Thus, since the concept of work is an autonomous notion of EU law and the Information Society Directive has not differentiated between works, the CJEU case law on originality applies to all works. The thrust of the whole argument is that uniformly interpreting the notion of work, which includes the originality requirement, is paramount to harmonising EU copyright (para. 24 and restated in para. 29).

That said, in the second part of his opinion, the AG specifically states that he does not want to be seen to ignore or underestimate the noxious consequences of an excessive protection of designs by copyright (para. 50). He then devotes the last 16 paragraphs to explaining why it is important for national courts to pay attention to copyright's limits to avoid this overprotection. He even suggests that in the case at hand, most of the features of G-Star Raw's clothes are not protectable by copyright (para. 60).

Comment

The position taken by the AG was to be expected in view of the CJEU's previous case law on the notions of originality (*Infopaq, BSA, Painer, FAPL, Football Dataco, SAS, Flos*) and work (*Levola*). It is pleasing to see that the AG has adopted much of the reasoning deployed in option 3 of the opinion of the European Copyright Society's (ECS) in the case and implicitly rejected option 2 (allow Member States to set different levels of protection for registered and unregistered designs). However, option 1 (allow Member States to decide the appropriate level of originality in copyright law for both utilitarian articles which have been registered as designs and those which have not) was no less convincing than option 3 and some of the AG's arguments seem designed to fit the overarching goal of harmonisation. For instance, an aspect that can be criticized is that the two bodies of law are autonomous (para. 41); the EU texts can be seen formally as separate, but in effect they are not and have always been intertwined from the start (even before the Berne convention), hence the necessity to draft the relevant articles 17 and 96(2) in the Design Directive

and Regulation. That said, it is heartening to see that AG Szpunar has grasped very well the problem that utilitarian articles pose to copyright, namely the devaluation of copyright law as it could protect banal products, the redundancy of *sui generis* design law and the competition problems already mentioned in his opinion's introduction. Similarly to what the ECS argued (para. 13), the AG states that applying the copyright requirements of the idea/expression dichotomy and originality rigorously at both the levels of protection and infringement can to a large extent mitigate the problems resulting from the cumulation of copyright and design laws (para. 54 ff). The AG stops short of applying by analogy design law's limits such as the exclusion of designs exclusively dictated by function or the repair exception, which is only optional in the Information Society Directive.[1]

What should the CJEU do?

It is hoped that the Court will follow the AG's opinion[2] and will emphasize more forcefully that all copyright limits must be strictly adhered to in relation to designs, and even adopt design law's limits in copyright law (as argued in the ECS opinion at paras 14-16). This may be too much for the Court however, as it may feel it would be overstepping its role and stepping into the shoes of the legislature, although it has not been shy to do so in this very area (*Infopaq*). However, the point still needs to be pressed: the cumulation of copyright, registered and/or unregistered design rights produces regime clashes, which overprotect designs.[3] Aligning the regimes avoids this problem, will help national courts enormously and would reduce unnecessary litigation and potentially more references to the CJEU.

If the Court follows the AG's opinion, the legislation and case law of Member States requiring a higher level of originality for works of applied art, such as Portugal and Italy, will become history. In the UK, the combination of *Levola* and *Cofemel* would mean that, at least until the UK exits the EU, it would be obliged to protect works of artistic craftsmanship at the lower level of the author's own intellectual creation.

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[1] The Legal Review on Industrial Design Protection in Europe recommends that copyright exceptions should exist for spare parts and be aligned with the design regime. DG Growth, 'Legal Review on Industrial Design Protection in Europe', published on 06/06/2016, Final report, MARKT2014/083/D; available at http://ec.europa.eu/growth/content/legal-review-industrial-design-protectioneurope-0_en, at p. 140.

[2] In 78% of copyright cases the CJEU follows the AG (in 13 cases, the CJEU did not follow the AG compared to 59 where it did); this data includes all copyright cases from Metronome in 1998 to SNB React of 7 August 2018. See E. Rosati, Copyright and the CJEU, OUP, 2019, p. 35. However, these statistics may or may not be contestable because 'following' means following not only the result but also the arguments. More details are necessary to affirm this percentage with confidence.

[3] See e.g. L. Bently, "The Return of Industrial Copyright" (2012) EIPR 654; E. Derclaye, "A Model Copyright/Design Interface: Not an Impossible and Undesirable Task?", in E. Derclaye (ed.), The Copyright/Design Interface: Past, Present and Future, CUP, 2018, 421-458.

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