IP Report

Design Law

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Court of Justice of the European Union (CJEU): Features not protectable by design law, if, from an objective point of view, they have been chosen solely on the basis of considerations of functionality (Judgment of March 8, 2018, Case C-395/16 – *DOCERAM*)

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The CJEU has rendered the long-awaited judgment in a preliminary ruling requested by the Higher Regional Court of Düsseldorf. The Higher Regional Court referred two questions to the CJEU:

Firstly, the Higher Regional Court asked under which circumstances the appearance of a product is solely dictated by its technical function within the meaning of Article 8 (1) CDR, and hence, is not capable of being protected by design law. The CJEU clearly rejected the practice of some Member States, *inter alia* Germany: The relevant question is not whether the same function can also be fulfilled by an alternative design, but whether the need to fulfil a technical function of the product concerned is the only factor determining the choice by the designer of a feature of appearance of that product, while considerations of another nature, in particular those related to its visual aspect, have not played a role in the choice of that feature.

The second question concerns the method of assessment of whether the conditions of Article 8 (1) CDR are met. According to the CJEU, all the objective circumstances relevant to each individual case must be taken into account. In contrast, Article 8 (1) CDR does not require that the perception of an "objective observer" should be taken into account.

The current decision started out from a reference for a preliminary ruling of the Higher Regional Court Düsseldorf, which referred the following questions to the CJEU:

1. Are the features of appearance of a product solely dictated by its technical function, within the meaning of Article 8(1) of CDR which excludes protection, also if the design effect is of no significance for the product design, but the (technical) functionality is the sole factor that dictates the design?

2. If the Court answers Question 1 in the affirmative: From which point of view is it to be assessed whether the individual features of appearance of a product have been chosen solely on the basis of considerations of functionality? Is an "objective observer" required and, if so, how is such an observer to be defined?

These questions were decisive in court proceedings brought by the company DOCERAM GmbH against the company CeramTec GmbH. According to DOCERAM, CeramTec's products – centring pins, which are used for weldings in the automotive, textile and machine industries – infringe

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DOCERAM's Registered Community Designs. DOCERAM had registered a total of 17 Community Designs (each with one single representation), which show the centring pins in different geometries (with a long cone, with a long cone and a collar, and with a long cone and a frustum), each in six different type variations (being based on the diameter of the metric thread of the hexagon head weld nut). One example of the three geometries is reproduced hereafter:

CeramTec argued *inter alia* that the respective designs are solely dictated by their technical function within the meaning of Article 8 (1) CDR and are therefore not protectable and counterclaimed for a declaration of invalidity. The Regional Court of Düsseldorf had dismissed the complaint and had granted the counterclaim (Regional Court of Düsseldorf, judgment of March 13, 2015, Case 14c O 98/13). In view of divergent case law regarding the interpretation of Article 8 (1) CDR, the Higher Regional Court Düsseldorf decided to request a preliminary ruling from the CJEU regarding the two questions mentioned above (Higher Regional Court of Düsseldorf, Order of July 7, 2016, Case I-20 U 124/15).

As regards the prerequisites of Article 8 (1) CDR, two different points of view have been taken: In Germany and further Member States of the European Union, Article 8 (1) CDR has been considered to apply only if there are no design alternatives having the same technical effect as the protected design ("multiplicity of forms theory"). In applying this theory, German Courts have applied a strict standard: the design alternatives must not only have the same technical effect but must also not be more complicated or more expensive or less efficient. The second opinion – backed *inter alia* by the Boards of Appeal of the EUIPO – used as a point of reference whether the choice of features of appearance were solely motivated by developing a technical solution and hence, aesthetic features would be completely irrelevant ("no-aesthetic-consideration-test"). In this respect, the second opinion relied on the assessment of a reasonable observer who would place himself in the position of the designer.

The CJEU took the second opinion and based its reasoning on the recitals of the CDR, the statutory system as well as the purpose of Article 8 (1) CDR. Due to the wording of the provision lacking details, it would be open to any interpretation. However, from the context regarding the definition of the term "Registered Community Design" in Article 3 lit. a CDR, it should be deducted that the appearance of a product is the decisive feature of a Registered Community Design, even if an aesthetic content is not required for the design in order to be protectable. If the other opinion would be used and design alternatives would be the point of reference, a company could achieve patent-like protection without meeting the respective patent law requirements by monopolizing all design alternatives. The Court added (para. 31):

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> "In light of the foregoing, it must be held that Article 8(1) of Regulation No 6/2002 excludes protection under the law on Community designs for features of appearance of a product where considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features, even if other designs fulfilling the same function exist."

Whether a feature is solely dictated by its technical function should not be determined from the perspective of an objective observer. Instead, all the objective circumstances relevant to each individual case should be taken into account. The Court continues (para. 37):

> " ... such an assessment must be made, in particular, having regard to the design at issue, the objective circumstances indicative of the reasons which dictated the choice of features of appearance of the product concerned, or information on its use or the existence of alternative designs which fulfil the same technical function, provided that those circumstances, data, or information as to the existence of alternative designs are supported by reliable evidence."

Remarks

With its present decision, the CJEU settles a long-lasting dispute regarding the standards for assessing whether product appearances are solely technically dictated: The "multiplicity-of-forms" approach is expressly rejected. Rather, the decisive question is whether the choice of features by the designer was exclusively dictated by the technical function the design (or the product in which it would be incorporated) would fulfill.

Furthermore, the CJEU also answers the question of how to assess whether the features of the design were dictated only by its technical function. The Court rejects the notion of an "objective observer" suggested by the referring court. Rather, all objective circumstances of each case must be taken into account, including information on its use or the existence of alternative designs which fulfil the same technical function, provided that those circumstances, data, or information as to the existence of alternative designs are supported by reliable evidence. This is of paramount importance, since the CJEU thereby also clarifies that the analysis cannot be limited to the design as registered and represented in the register (as many courts and some voices in the literature have been postulating). In fact, the design must be assessed by taking into account circumstances from beyond the register. Among these objective circumstances the CJEU also lists "the existence of alternative designs". This obviously does not mean that the "multiplicity-of-forms" is suddenly "resurrected", but only that alternative designs having the same technical function my display (additional) features not dictated by technical considerations. Taking into account of facts outside

of the register was previously also established in assessing the technical nature of a 3D trade mark, most recently in the 2016 "Rubik's Cube" decision (CJEU, judgment of November 10, 2016, Case C-30/15 P – Simba Toys GmbH & Co. KG v. EUIPO). The CJEU now transferred this principle to design law, without, however, making a reference to its earlier trade mark cases. The opposite opinion favored by some German courts until now has become obsolete.

The CJEU judgment in both of its parts is to be welcomed since it leads to a much higher degree of legal certainty. As to the means of proof, it may be expected that decisions on the technical character of a design will increasingly require expert evidence.

While this decision constitutes an important milestone in design law, the next one is already lying ahead: The Opinion of Advocate General Juliane Kokott in Case C-217/17 P, Mast Jägermeister SE v. EUIPO, became available on February 22, 2018. This case addresses the requirements regarding representations of Registered Community Designs, and which consequences arise from insufficient representations.

In a nutshell, the Advocate General is of the opinion that representations have to be clear and unambiguous, otherwise the Registered Community Design would not be capable of protection. The decision of the CJEU, expected for the summer of 2018, should have a great impact on the development of design law and future filing strategies.