

# AN AUTONOMOUS EU FUNCTIONALITY DOCTRINE FOR SHAPE EXCLUSIONS

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## 1. INTRODUCTION

Intellectual property (IP) protection of shapes, whether they are primarily aesthetic, functional, or indicate a mixed purpose, will not necessarily lead to a monopoly on the article bearing the shape. It rather depends on the nature and scope of the right conferred, and the product market. Nevertheless, there is consternation that the protection of certain types of shapes in relation to certain types of products may have an undesired impact on the market. Specifically, the argument is that unfettered protection of technically-dictated (and thus, functional) shapes under any IP right other than patent law can give rise to unduly restrictive effects on legitimate competition.<sup>3</sup>

Within the European Union (EU), certain types of shapes are statutorily excluded under Community design and trade mark laws, while Member States' national laws have historically devised copyright versions of shape exclusions. One argument is that the exclusion provisions exist solely to prevent design and trade mark rights from being used to obtain monopolies over technical solutions without meeting the stringent conditions laid down in patent law.<sup>4</sup> However, one should note at the outset that the EU legislators could have opted for a provision excluding "patentable features" as a mechanism to prevent simultaneous and overlapping protection under other IP rights.<sup>5</sup> This is not the case and instead more

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<sup>4</sup> For designs, see *Lindner Recyclingtech GmbH v. Fransson's Verkstäder AB*, OHIM Third Board of Appeal, R 0690/2007-3; [2010] E.C.D.R. 1. [28]; Case C-395/16, *Doceram GmbH v CeramTec GmbH*, 19 October 2017, ECLI:EU:C:2017:779, AGO, [39]. For trade mark, see Case C-48/09 P, *Lego Juris v OHIM*, EU:C:2010:516, [45]-[46]; Case C-205/13, *Hauck GmbH & Co. KG v Stokke A/S and Others*, AGO, ECLI:EU:C:2014:322, [43].

<sup>5</sup> This approach was adopted to a certain extent under French laws – see M.-A. Perot-Morel, *Les Principes de Protection des Dessins et Modèles dans les Pays Marché Commun* (Mouton 1968); and U.Suthersanen, *Design Law in Europe* (Sweet & Maxwell 2000), para 13-022 *et seq.* (the repealed Art. L.511-3, Book V, Intellectual Property Code, prior to the 2001 amendments stated: 'if one and the same object can be considered to be both a new design and a patentable invention and if the elements constituting the novelty of the design are inseparable from those of the invention, said object may only be protected [by a patent]'. These provisions are still applicable when assessing the validity of designs registered under the old law, the most recent of which will expire in 2026).

nebulous notions were adopted including “technical function” in the case of design law or “technical result”, in relation to trade mark law. Another argument is that the shape exclusions are purposed on the fact that functional shapes lack the designer’s freedom, personal creativity, individual character, ornamentality or inherent distinctiveness.<sup>6</sup> Thus, in recent copyright decisions, the functionality concept has been recast as being an inherent aspect of the originality and idea-expression principles. The final argument which is inherent within the first two is that the exclusion provisions provide the necessary delineation between the rights so as to ensure the rationales of different IP rights are not undermined.

This article explores the multitude of doctrinal and policy reasons underpinning shape exclusions by focussing on the evolution of the functionality doctrine by the Court of Justice of the EU (CJEU) in recent design, trade mark and copyright jurisprudence. We argue that insofar as shapes are concerned, the CJEU is consciously shifting various legal dots within design, copyright and trade mark laws which are now merging to create a *pointilliste* landscape namely the adoption of an EU autonomous functionality doctrine within IP – and this is in accordance with the Court’s increasing judicial activism in the field of IP law (rather in the manner of a common law court).<sup>7</sup> We further argue that in doing so, the CJEU is not necessarily turning its back on the traditional rationales of shape exclusions (such as demarcating between different IP laws or accentuating the need for distinctiveness or creativity); however, the Court is clearly building a European macro-rationale within these laws namely to ensure that protection does not unduly restrict market freedom and competition. And this is the right direction in the area of shape jurisprudence.

## 2. FUNCTIONALITY UNDER EU DESIGN LAW

Art. 8(1), Community Design Regulation (CDR) states that “features of appearance of a product which are solely dictated by its technical function” are excluded. The initial draft definition of design embraced a holistic concept whereby a design was perceived as the symbiosis of three elements: the functional improvement or technical innovation in the product; the creative contribution of an aesthetic nature by the designer; and the investment by the manufacturer to develop the two preceding elements.<sup>8</sup> This expansive view of a design was rejected as being too anti-competitive since it would include principles of construction or purely technical elements. Thus, the definition was amended so as to anchor the legal concept of design to the appearance of the product. The inevitable presence of functional elements within any product shape remained. The issue was further exacerbated by the fear of protecting interconnections, spare parts and other peripherals within the motor vehicle and other complex-component product sector. Perhaps in retrospect, the components issue should have been dealt with under competition law; conversely the lack of success under the latter law to curb the market practices of car manufacturers inevitably led to the adoption of the interconnection exclusion. Thus,

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<sup>6</sup> Case C-395/16, *Doceram*, AGO above note 4 [35]-[36]. In interpreting individual character, the courts have sometimes defined the informed user as someone who looks at both the “attractiveness of the design and the practicability and efficiency of the device” - see *Consortium Manager Parisien v Freshlink Product Development LLC (Kitchen utensils)*, R 2407/2014-3, 05/02/2016, [35]; *Colanders*, R 887/2008-3, 11/08/2009, [27]–[28]; *KUBALA sp zoo v FHU Partner Ljajic Milan*, R 1586/2017-3, [2018] E.C.D.R. 17 [22]. Moreover, the designer’s freedom has been construed with reference to the “technical constraints arising from the functionality of the device” in question. See *Senz Technologies BV v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (T-22/13) EU:T:2015:310*; [2015] E.C.D.R. 19, [56]; *KUBALA*, op.cit., [25]. For a full discussion on distinctiveness vis-à-vis shapes, see C. Ramirez-Montes, *The elusive distinctiveness of trade dress in EU trade mark law*, (2020) *Emory International Law Review forthcoming* (copy with the authors).

<sup>7</sup> With gratitude to Professor Firth for the metaphor – see A. Firth ‘Code, autonomous concepts and procedure – stepping stones for European law?’ in M.Perry, ed, *Intellectual Property Governance for the 21<sup>st</sup> Century: Global Evolution* (Springer 2016), 74-79. See Part 5 below.

<sup>8</sup> *Green Paper on the Legal Protection of Industrial Design*, Brussels, June 1991 [III/F/5131/91-EN](henceforth EC Green Paper), paras. 5(4)(1)–5(4)(3)

Arts 8(1) and (2), CDR reflect two policies: ensuring that design law does not undermine the strict prerequisites under patent (or utility model) laws; and ensuring the preservation of competition vis-a-vis the primary-secondary parts markets. We focus on Art. 8(1) in this paper.<sup>9</sup>

## 2.1 A MULTI-FACETED APPROACH TO ARTICLE 8(1) CDR

Historically, there were two main interpretations of Art.8(1) based on the Member States' national approaches and on the CDR's legislative history. The first ("*multiplicité des formes*" test) excludes design features only if the technical function cannot be achieved by any alternative configuration. The theory, widely employed by the French courts, was soon adopted by other Member States and the EUIPO.<sup>10</sup> The popularity of this interpretation was bolstered by *Philips v Remington* – a previous decision concerning shape trade marks. Due to the difference in wording between the EU trade mark and design directives, Advocate General (AG) Colomer suggested that:

“the level of functionality must be greater in order to be able to assess the ground for refusal in the context of designs; the feature concerned must not only be necessary but essential in order to achieve a particular technical result: form follows function. This means that a functional design may, none the less, be eligible for protection if it can be shown that the same technical function could be achieved by another different form.”<sup>11</sup>

The second interpretation ("*causality approach*") derives from British law and is cogently expressed in the landmark decision of *Amp v Utilux*. Interpreting an earlier statute which excluded designs “dictated solely by the function”, the court posed the question thus: whether every single feature of the shape of the product in question was dictated by the function in the sense of being “attributable to or caused by or prompted by” the product's function.<sup>12</sup> Several considerations arise including the designer's freedom of choice, eye or visual appeal and individual characteristics. Determining the designer's motivation is but

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<sup>9</sup> We do not consider Art. 8(2), CDR as it was specifically motivated by the need to curtail the market power of manufacturers in relation to replaceable component parts of the primary product, rather than a need to curtail the protection of functional elements *per se*. Ostensibly aimed initially at car manufacturers, the provision now has the potential to apply to all products with some interoperable aspect. For a further reading on the this clause, see recital 10, CDR (emphasises the rationale as barring the design of “mechanical fittings” which hinder interoperability of products of different makes); Working Paper no.3, above note 9 (the Commission admitting that its main concern, in implementing its must-fit provisions, is the spare parts industry in the automotive sector); J. Drexler, R.M. Hilty, A. Kur, “Design Protection of Spare Parts and the Commission's Proposal for a Repairs Clause”, [2005] 36 IIC 448; U.Suthersanen, *Design Law: European Union and United States of America* (Sweet & Maxwell 2010), chapter 4; *Legal review on industrial design protection in Europe*, above note 3, paras. 5.2; and 7.3.2.

<sup>10</sup> Since 2016, the EU Intellectual Property Office (EUIPO), previously known as the Office for Harmonization in the Internal Market (OHIM). For further discussion on this approach, see P. Greffe and F. Greffe, *Traité des dessins et des modèles: France, Union Européenne, Suisse* (LexisNexis 2003), pp.72–73; D. Cohen, *Le droit des dessins et modèles* (Economica Paris 2004), p. 22; Case C-395/16, *Doceram*, above note 4 (citing German, Belgian, Spanish and British cases adopting this approach.)

<sup>11</sup> Case C-299/99, *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd.*, EU:C:2001:52, [36]-[38]; U.Suthersanen, The European Court of Justice in *Philips v Remington* - Trade Marks and Market Freedom, [2003] 3 IPQ 257.

<sup>12</sup> *Amp Inc. v Utilux Pty Ltd.*, [1972] RPC 103 (HL) at 122. It should be noted that the earlier UK design statute incorporated the functionality exclusion within its definitional provision namely designs had to appeal to and be judged solely by the eye – s.1(3), RDA 1949 (c.88); this has some similarities to the current EU design law's stance that designs be visible – Art.3(a), CDR; Case T494-12, *Biscuits Poult SAS v OHIM*, ECLI:EU:T:2014:757.

one factor as the design may still visually appeal to a consumer.<sup>13</sup> A reformulated version of this theory as applied within several Member States is as follows:

“it is necessary to identify the reason why the feature in question was chosen by the designer of the product. Thus interpreted, Article 8(1) would be applicable in all cases where the need to fulfil a certain technical function was the sole factor that dictated the design in question, *without any effect on its physiognomy or its aesthetic quality*, and the possible existence of design alternatives which could fulfil the same function is not crucial.”<sup>14</sup>

The EUIPO adopted a third stance (thereby substituting the first approach). In retrospect, the Office had offered a restatement of the causality approach, best expressed in the *Lindner* decision.<sup>15</sup> The Office’s perspective was that of

“a reasonable observer who looks at the design and asks himself whether anything other than purely functional considerations could have been relevant when a specific feature was chosen.”<sup>16</sup>

Of particular importance is the Board’s competition-based assertions: the rationale of the functionality clause, it held, was to prevent design law “from being used to achieve monopolies over technical solutions”; and the *multiplicité des formes* test had to be rejected since, in the Board’s view, it would prevent the manufacture of “a competing product”; the British *Amp* approach was the correct one since it would not “shut out competitors”.<sup>17</sup> These competition-based themes resurface again when we turn to consider *Doceram GmbH v CeramTec GmbH*.<sup>18</sup> The Oberlandesgericht Düsseldorf referred two questions to the CJEU as to the interpretation of Art.8(1) CDR in relation to a number of registered Community designs protecting welding centring pins in three different geometrical shapes. Having observed the different approaches, the referring Court asked whether it was necessary to explore the significance of the “design effect” on the product design thus determining whether (technical) functionality was the sole factor dictating the design. If answered in the affirmative, the second question was whether the functionality assessment was from the perspective of the “objective observer”.

## 2.2 DOCERAM’S AUTONOMOUS FUNCTIONALITY DOCTRINE

In our opinion, the AG and the CJEU advocated a new approach. One that doesn’t reject the *multiplicité des formes* test for the *causality* test as such but instead reformulates various theories to forge an autonomous functionality doctrine. The current approach makes no reference to aesthetic quality or merit *per se*; nevertheless, the approach adopts a visual-based aesthetics reference when applying a 4-step objective assessment in considering the designer’s choice.

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<sup>13</sup> *Amp v Utilux*, above note 12, at 106.

<sup>14</sup> AG Øe in Case C-395/16, *Doceram*, above note 4, [21], emphasis added.

<sup>15</sup> *Lindner*, above note 4. The decision was appealed against unsuccessfully due to the application being outside the time-limit for appeal – see *Franssons Verkstäder AB v OHIM – Lindner Recyclingtech*, 10 May 2010, T-98/10, EU:T:2010:180 (General Court); 9 September 2010, C-290/10, ECLI:EU:C:2010:511 (CJEU).

<sup>16</sup> *Lindner*, *ibid*, [31], [36]. For the adoption of the test France, see Greffe, F., and Greffe, P., *Traité des dessins et des modèles — France, Union européenne, Suisse, continent américain*, (LexisNexis, 9th edition, 2014) paras. 155-186.

<sup>17</sup> *Lindner*, *ibid*, [30]-[31].

<sup>18</sup> Case C-395/16, *Doceram GmbH v CeramTec GmbH*, 8 March 2018, ECLI:EU:C:2018:172 (CJEU).

## (A) VISUAL ASPECTS (AESTHETICS)

Recital 10, CDR is admittedly confusing; whilst the first part establishes a clear innovation-competition-function linkage, the second sentence has been employed confusingly. We see this in the *Lindner* approach where the EUIPO inferred that functionality should be determined with reference to some sort of aesthetics rubric.<sup>19</sup> Perhaps we should understand the *Lindner* decision as an attempt to formulate a legal concept of design. Various schools of design argue that designing is the imposition of analysis, order and deliberation curtailed by environmental and commercial factors. The role of the designer is to select and combine such ergonomic, technical and artistic elements.<sup>20</sup> However, contrary to design practice, the focus within EU design legislation is on visual aesthetics as opposed to other types of aesthetics including ergonomic or tactile or aural aesthetics.<sup>21</sup> One can appreciate this emphasis on the visual aesthetics. From cultural and economic perspectives, the visual power exercised by the designer over the product is, arguably, his most important tool. We can conclude that EU design law does not require an analysis of aesthetic *merit* as a positive criterion of protection but some rudimentary aesthetic *appreciation* is required when considering the visual aspects of the design. As the CJEU has confirmed, “appearance is the decisive factor of a design” in determining novelty, individual character and scope of protection.<sup>22</sup>

## (B) COMPETITION AND CREATIVITY

A second element of the nascent autonomous EU functionality doctrine is that the *Doceram* decision ties the narrow aesthetics element (visual aspects) to freedom of choice and competition. Thus, for example, there are repeated links between the rationale of the functionality exclusion and the need to safeguard competition and market players within the AG’s opinion. The causality approach must be the correct one, AG Øe concludes, because it is particularly suited to this task of safeguarding competition.<sup>23</sup> He then turns to trade mark law to explain that the exclusion clauses within that and

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<sup>19</sup> *Lindner*, above note 4, [33],[35],[42] (“The significance of limiting protection to the visual appearance of products is that aesthetic considerations are in principle capable of being relevant only when the designer is developing a product’s visual appearance. [...] It is true that there is no ban on the protection of designs that lack any aesthetic quality. Such a requirement is not imposed because it is notoriously difficult to make an objective evaluation of aesthetic merit. Article 7(1) of the Directive and art. 8(1) CDR deny protection to certain designs, not because they lack aesthetic merit but because aesthetic considerations play no part in the development of the designs, the sole imperative being the need to design a product that performs its function in the best possible manner.”)

<sup>20</sup> For a varied discussion on design as a discipline and profession, see V. Papanek, *Design for the Real World* (Thames & Hudson, 1984) pp. 4, 28, chapters 9 and 10; G. L. Glegg, *The Design of Design* (Cambridge Univ. Press, 1969) pp 5-16; D. Ullman, *The Mechanical Design Process* (McGraw-Hill, Inc., 1992) pp 6-7; A. Forty, *Objects of Desire* (Thames & Hudson, 1986) p. 7; D. Ughanwa and M. Baker, *The Role of Design in International Competitiveness* (Routledge, 1989) pp. 245-247; *Technology and the Wealth of Nations*, Eds, N. Rosenberg, R. Landau, D.C. Mowery (Stanford Univ. Press, 1992) pp. 384-386, 399-401. For similar discussions during the legislative passage of the CDR, see Suthersanen, *Design Law in Europe*, above note 5, paras. 6.001-6.035.

<sup>21</sup> *Doceram*, AGO, above note 4, [25]-[29]; CJEU, above note 18, [23]-[24], [26]. In unpacking the objective of the functionality clause, the AG’s opinion offers a bumpy read over several slippery notions including: in determining functionality, the external appearance of the product remains decisive “whatever its specific merit”; there is a thin line between “aesthetic quality” (which is not required) and visual appearance (the focus of protection) which ensures that the product is “distinguishable from previous protected designs” (required).

<sup>22</sup> Case C361/15 P and C405/15 P, *Easy Sanitary Solutions and EUIPO v Group Nivelles*, EU:C:2017:720, [62]-[64] (in relation to arts.3(a),4(2), recital 12, 6(1), 10(1) CDR).

<sup>23</sup> *Doceram*, AGO *ibid* [38].



designs law are *in pari materia*.<sup>24</sup> Why? Because of their role as guardians of competition: to prevent the conferment of monopolies on “technical solutions or functional characteristics of goods which a user is likely to seek in the goods of competitors.”<sup>25</sup> The CJEU adopts the same stance confirming that the *multiplicité des formes*” test cannot be decisive as it would lead to situations preventing competitors offering technologically-equivalent products.<sup>26</sup>

The enquiry then shifts to the demarcation line drawn between the constrained space within which the designer must create features dictated by the product’s technical function on the one hand, and the design latitude within which the designer is free to choose elements and features which effect the visual aspects.<sup>27</sup> Do notions such as the designer’s freedom or her creative contribution play a role in this EU autonomous functionality doctrine? The answer is yes in the AG’s opinion since Art.8(1) CDR must be interpreted as excluding features of appearance which were “without any creative contribution on the part of its designer”<sup>28</sup>. Elsewhere, the AG refers to the “designer’s freedom of choice”, the designer’s “creative contribution in developing the product”; the presence of “personal creativity”, or “creative influence [...] over the appearance of the product”.<sup>29</sup>

### (C) FREEDOM OF CHOICE – A 4-STEP ASSESSMENT

But the CJEU makes no reference whatsoever to creativity or the designer’s freedom, but focusses on assessing the designer’s choices.<sup>30</sup> This is we believe important for two reasons:. First, by eschewing the concept of “the freedom of the designer”, the Court has avoided the functionality doctrine being unnecessarily merged with other parameters of protection such as individual character.<sup>31</sup> Secondly, the “choices” route maintains the competitive ethos underlying the functionality doctrine by calling for an objective assessment of the following considerations: (i) the design; (ii) the objective circumstances which dictated the choice of visual features; (iii) the information on the use of the designed product;

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<sup>24</sup> The historical syllogism deriving partially from the AG’s opinion in *Philips*, above note 11, is as follows: the underlying purpose of the functionality exclusion within trade mark law is to bar protection, which has the potential to confer a permanent period of protection, from extending the life of other more short-lived rights, such as patents and design rights. AG Colomer in *Philips* stressed that the relationship between trademark and design laws is so pertinent that the latter clarifies the scope of the former, and that the two tests must be different. And the *multiplicité des formes* test was thereby forged. AG Øe now notes that this stance must be rejected since this view was “expressed in an *obiter dictum*” that was never supported by the CJEU in that decision - *Doceram*, AGO, *ibid* [43-46], footnote 57.

<sup>25</sup> *Doceram*, AGO *ibid* [41]-[42] (the appellant had sought protection for 17 variants of the basic design thus not leaving “other market operators any opportunity to use alternative forms of those products, as there are no other technically relevant forms in the field of projection welding that are capable of producing a different overall impression of the product”).

<sup>26</sup> *Doceram*, CJEU, above note 18, [30]

<sup>27</sup> *Doceram*, AGO, above note 4, [29].

<sup>28</sup> *Doceram*, AGO, *ibid* [71], emphasis added.

<sup>29</sup> *Doceram*, AGO, *ibid* [29], [33], [35], [37], [47], [60], [71], footnotes 31, 34

<sup>30</sup> *Doceram*, CJEU, above note 18, [26], [31], [37].

<sup>31</sup> Arts. 6(2), 10(2), CDR – both take the “degree of freedom of the designer in developing the design” will be taken into consideration. There has been some call for the designer’s freedom threshold be employed to assess functionality and copyright protection – see European Copyright Society, *Opinion in relation to the pending reference before the CJEU in Cofemel v G-Star, C-683/17*, available on <https://europeancopyrightsociety.org/how-the-ecs-works/ecs-opinions>, para. 16.

and (iv) the existence of alternative designs fulfilling the same technical function.<sup>32</sup> Although the “*multiplicité des forms*” analysis cannot be decisive, the fact that alternative designs exist can be part of the evidentiary case.<sup>33</sup> It is unclear whether the designer’s motivation matters especially as the AG has recently said it does when considering shapes under copyright law.<sup>34</sup>

The new *Doceram* approach enables fresh avenues of enquiry as a simple visual analysis is no longer the only consideration.<sup>35</sup> One can also review the nature and function of the product in question, the advertising literature and data as to previous IP rights, especially the existence of prior patents.<sup>36</sup> Moreover, the new assessment test is flexible enough to allow a tribunal to take into account the classification indication in the case of a registered Community Design, a factor which is not supposed to affect the scope of protection *per se*.<sup>37</sup>

We encounter an endorsement of equivalent considerations in the CJEU’s jurisprudence on shape trade marks. In considering the identification of the essential characteristics of a shape mark in *Lego Juris v OHIM*, the Court noted that this assessment may “be carried out by means of a simple visual analysis of the sign or, on the other hand, be based on a detailed examination in which relevant criteria of assessment are taken into account, such as surveys or expert opinions, or data relating to IP rights conferred previously in respect of the goods concerned.”<sup>38</sup> The Court here accepted that the perception of the sign by the average consumer could be a relevant (but not decisive) criterion of assessment.

### 3. FUNCTIONALITY UNDER EU TRADE MARK LAW

Even where shapes are proven to be distinctive, the European legislators have instituted a further policy decision which is enshrined in art.7(1)(e) of the Trade Mark Regulation (TMR) and art. 4(1)(e), of the Trade Mark Directive (TMD). These exclusionary provisions bar shapes which are desirable – either through its aesthetic quality or where it fulfils a technical function.<sup>39</sup> Specifically, shape signs are subjected to three further hurdles which seek to bar signs which consist exclusively of: (i) the shape or another characteristic, which results from the nature of the goods themselves (first indent); or (ii) the shape, or another characteristic, of goods which is necessary to obtain a technical result

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<sup>32</sup> *Doceram*, CJEU, above note 18, [37]-[39] (“provided that those circumstances, data, or information as to the existence of alternative designs are supported by reliable evidence”).

<sup>33</sup> *Doceram*, CJEU, *ibid* [32],[37]; also AGO, above note 4, [67].

<sup>34</sup> Case C-833/18, *SI, Brompton Bicycle Ltd. v Chedech/Get2Get*, ECLI:EU:C:2020:79, AGO, [93].

<sup>35</sup> *Tinnus Enterprises v Mystic Products & Koopman International*, R 1002/2018-3 (Fluid distribution equipment), 12 June 2019, Third Board of Appeal, EUIPO; [2019] E.C.D.R. 18. The EUIPO Board of Appeal disregarded the design’s ‘simple and clear appearance’, the product’s ‘sleek and elegant appearance’, and the fact that it was intended for sale to consumers. The appeal to the General Court against this decision is pending - see Case T-574/19, *Tinnus Enterprises v EUIPO - Mystic Products and Koopman International*.

<sup>36</sup> In *Tinnus Enterprises*, *ibid* [34]-[37] in relation to a prior patent application, the Board held that the contested Community Design did not deviate from the previously submitted patent (with the same features being described in both registration instruments), thus concluding that the main concerns during their development were technical, not visual.

<sup>37</sup> Art.36(2), (6) CDR.

<sup>38</sup> Case C-48/09 P, *Lego Juris v OHIM*, EU:C:2010:516, [71]

<sup>39</sup> P.Jaffey, “The new European trade marks regime”, (1997) IIC 153, 155-156.

(second indent); or (iii) the shape, or another characteristic, which gives substantial value to the goods (third indent).<sup>40</sup>

### 3.1 EVOLUTION OF SHAPE EXCLUSIONS UNDER ART.7(1)(E) TMR

EU trade mark law incorporates a deliberate policy choice to include shapes as signs registrable for trade mark protection.<sup>41</sup> This means that they are considered as possible registrable signs *ex ante* as long as such shapes qualify as being distinctive i.e. that the sign does what a trade mark does.<sup>42</sup> This often requires the applicant to demonstrate that the sign has acquired distinctiveness especially where the shape to be registered relates to the appearance of the product itself.<sup>43</sup> The difficulty arises as it is assumed that average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element; instead, a shape will generally only be deemed to be inherently distinctive where it “departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin.”<sup>44</sup>

Prior to EU trade mark harmonisation, the practice within national laws differed as to the extent to which shapes were excluded from protection. Some Member States completely excluded shapes<sup>45</sup> while others had a more liberal approach.<sup>46</sup> The first trade mark harmonising directive sought to eliminate these different approaches and modelled the EU shape exclusions on the liberal Benelux approach, in an attempt to encapsulate modern branding and marketing strategies.<sup>47</sup> In short, it was a necessary

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<sup>40</sup> The trade mark amendments reformulated the prior Regulation and Directive including amending the shape exclusion provisions by including “other characteristics” to the three indents. The EUIPO Examination Guidelines provide a sound mark comprising the sound of a motorbike for motorbikes, and an olfactory mark of a scent for perfume as examples for such “other characteristics”. See Section 4, Chapter 6, EUIPO Examination Guidelines, 2020 Edition, available <https://guidelines.euipo.europa.eu/>

<sup>41</sup> Parliament and Council Regulation (EU) 2017/1001 on the European Union trade mark, [2017] OJ L154/1, (henceforth TMR) art.4; Parliament and Council Directive (EU) 2015/2436 to approximate the laws of the Member States relating to trade marks, OJ L 336/1 (henceforth TMD), art. 3; Suthersanen, “The European Court of Justice in *Philips v Remington*”, above note 11.

<sup>42</sup> D. S.Gangjee, “Non- Traditional Marks across Registration and Enforcement” in I.Calboli, M.Senfleben (eds), *The Protection of Non-Traditional Trademarks - Critical Perspectives* (OUP 2018) 59, 61.

<sup>43</sup> Art.7(1)(3), TMR; art.4(1)(4).

<sup>44</sup> Case C-144/06 P, *Henkel KGaA v European Union Intellectual Property Office*, ECLI:EU:C:2007:577, [38]-[39].

<sup>45</sup> For historical accounts, see R. Burrell, H.B. Smith & A. Coleman, “Three-dimensional trade marks: should the Directive be reshaped?” in N.Dawson & A. Firth, *Perspectives on Intellectual Property: Trade Marks Retrospective* (Sweet & Maxwell 2000) 139, 144; A. Kur, “Yellow Dictionaries, Red Banking Services, Some Candies, and a Sitting Bunny - Protection of Color and Shape Marks from a German and European Perspective” in Calboli & Senfleben, *The Protection of Non-Traditional Trademarks*, above note 42, at 89; F. Henning-Bodewig & H. E. Ruijsenaars, “Alternative Protection for Product Designs - A Comparative View of German, Benelux and US Law”, (1992) IIC 643, 647.

<sup>46</sup> Note for instance the Benelux position as discussed in F. Henning-Bodewig & H. E. Ruijsenaars, “Designschutz qua Markenrecht? – Das “Burberry” - Urteil des Benelux-Gerechthof im Rechtsvergleich”, (1990) GRUR Int. 823; F. Henning-Bodewig & H. E. Ruijsenaars, “Alternative Protection for Product Designs”, above note 45, 655; C. Gielen, “Substantial Value Rule: How it Came into Being and Why it Should be Abolished”, (2014) EIPR 164.

<sup>47</sup> Council Directive 89/104/EEC, OJ L 040/1, basing the shape exclusions on art 1(2), Benelux Trademarks Act of 1975. See D.Tatham & W. Richards, *ECTA Guide to E.U. Trade Mark Legislation* (Sweet & Maxwell 1998), [3-24]; Kur, “Harmonization of the trademark laws”, above note 3, at 2,18; R. Burrell, H.B. Smith & A. Coleman, “Three-dimensional trade marks”, above note 45, at 141. Also note C. Gielen, “Harmonisation of trade mark law in Europe: the first trade mark



liberalisation of the trade mark regime in Europe because consumers *inter alia* associated and attributed shaped goods and packaging as badges of origin. The current EU trade mark framework hence acknowledges that shapes operate as trade marks as a market reality. On the other hand, the law reflects the common principle within the Benelux (and other) trade mark regimes that such protection should not extend to functionally or aesthetically motivated product characteristics.<sup>48</sup>

### 3.2. THE THREE INDENTS: PUBLIC INTEREST, DELINEATION AND COMPETITION

The first case to shed light as to the rationale of excluded subject matter under trade mark law was *Windsurfing Chiemsee*<sup>49</sup> Although the decision did not specifically deal with shape exclusions, its deliberations on whether and under which conditions a geographical name may be registrable as a trade mark is highly pertinent. The Court found that the basis of the exclusion on descriptive signs or indications was public interest considerations, namely such signs or indications “may be freely used by all.”<sup>50</sup> The CJEU subsequently held that all trade mark exclusions would be based on public interest considerations, first in the *Philips* decision and then sealed this as a precedent in consecutive shape related cases.<sup>51</sup>

Turning to the three indents themselves, the shape exclusions have traditionally been based on two sub-rationales.<sup>52</sup> The first, the demarcation or delineation rationale, seeks to strictly delineate the different intellectual property rights. The delineation rationale will always serve as a useful reminder to examination offices and courts of the evergreening potential of trade mark law in relation to shapes protectable under other more time-limited IP rights.<sup>53</sup> Notably however, the CJEU itself has been rather inconsistent in its

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harmonisation Directive of the European Council” (1992) EIPR 262, 264 (noting that the Benelux regime was perceived as one of the most modern trade mark regimes at the time of harmonisation).

<sup>48</sup> A.Kur & M. Senftleben, *European Trade Mark Law* (Oxford University Press 2017) para. 4.154; Kur, “Harmonization of the trademark laws”, above note 3, at 17.

<sup>49</sup> Joined Cases C-108/97 and C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots- und Segelzubehör Walter Huber and Franz Attenberger*, ECLI:EU:C:1999:230.

<sup>50</sup> *Ibid* [25].

<sup>51</sup> *Koninklijke Philips Electronics NV*, above note 11, [77] (expressly citing *Windsurfing Chiemsee*, *ibid*); Case C-48/09 P, *Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, ECLI:EU:C:2010:516, CJEU [43]; Case C-205/13, *Hauck GmbH & Co. KG v Stokke A/S and Others*, ECLI:EU:C:2014:2233, CJEU [17]; Case C-215/14, *Société de Produits Nestlé SA v Cadbury UK Ltd* (the *Kit Kat* decision), ECLI:EU:C:2015:604, [43]; Case C-30/15 P, *Simba Toys GmbH & Co. KG v European Union Intellectual Property Office*, ECLI:EU:C:2016:849, [38].

<sup>52</sup> Case C-48/09 P, *Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs) and MEGA Brands, AGO, Inc.*, ECLI:EU:C:2010:4 [55] (the AG asserting that this notion was “unanimously accepted”).

<sup>53</sup> Case C-299/99, *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd.*, AGO, ECLI:EU:C:2001:52, [30] (the purpose in barring registration is “to prevent the exclusive and permanent right which a trade mark confers from serving to extend the life of other rights which the legislature has sought to make subject to limited periods.”); also see *Lego Juris A/S*, AG, *ibid* [55], [61]; CJEU, above note 51, [43]; also note the delineation argument in design law – see *Doceram*, AGO, above note 4, [39].

The academic literature is vast as to the rationale for the exclusions: A.Firth, “Shapes as trade marks: public policy, functional considerations and consumer perception” (2001) EIPR 86, 88; Suthersanen, “The European Court of Justice in *Philips v Remington*”, above note 11, 257, 258; N. Schober, “The function of a shape as an absolute ground for refusal” (2013) IIC 2013, 35, at 37; L. Brancusi, “Trade marks’ functionality in EU law: expected new trends after the *Louboutin* case”, (2019) EIPR 98, 102-103; C.J. Ramirez-Montes, “Mapping the Boundaries of the EU Trade Mark Functionality”, (2019) *John Marshall Review of Intellectual Property Law* 4; I. Simon Fhima, “The public interest in European trade mark law”, (2017) IPQ 311. One

reliance on this rationale – as opposed to the public interest ethos, or the competition rationale. Thus, the CJEU refrained from this delineation in *Philips* but tied the rationale to the freedom of competition arguments in the *Lego* decision.<sup>54</sup> In *Hauck*, the AG in *Hauck* deploys the delineation rationale as a subset to the more general competition rationale of the shape exclusions to explain the third indent. While cumulative protection under different IP rights is allowed, he notes that some delineation must be present between trade mark law (which promotes “fair competition by enhancing market transparency”) and other time-limited IP rights (which promote “innovation and creativity”).<sup>55</sup>

The second, the competition rationale, can be seen as underpinning the second indent in ensuring that shapes whose essential characteristics perform technical solutions or are functional “may freely be used by all.”<sup>56</sup> Nevertheless, the competition rationale was extended by the AG and the CJEU to all variations of the shape exclusions.<sup>57</sup>

## (A) AN AUTONOMOUS SHAPE-FUNCTION DOCTRINE?

The decided case law refers to all rationales though not necessarily in a consistent manner. We believe that the CJEU’s current stance within trade mark law is that the competition ethos transcribes over other rationales.

The competition rationale was referred to in the first CJEU decision on shape exclusions namely the *Philips* decision. Although the decision focussed on the second indent (shapes necessary for technical results), the CJEU pointed out that the common ground for all indents within the shape exclusion is “to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors.”<sup>58</sup> The competition rationale has, since then, been repeated in subsequent case law. In relation to the first indent, the CJEU in *Hauck* held that shapes resulting from the nature of goods means such shapes “with essential characteristics which are inherent to the generic function or functions of such goods”. The rationale, the Court held, was

“reserving such characteristics to a single economic operator would make it difficult for competing undertakings to give their goods a shape which would be suited to the use for which those goods are intended. Moreover, it is clear that those are essential characteristics which consumers will be

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should also not forget the source of the rationale deriving as it does from the *ex ante* EU trade mark regime under the Benelux trade mark law - F. Henning-Bodewig & H.E. Ruilsenaars, *‘Designschutz qua Markenrecht?’*, above note 46, 826; T.C. Jehoram, C.Nispen & T. Huydecoper, *European Trademark Law: Community Trademark Law and Harmonized National Trademark Law* (Kluwer Law International 2010) 96.

<sup>54</sup> *Lego Juris A/S*, CJEU, above note 51, [46] (“protection of that shape as a trade mark once the patent has expired would considerably and permanently reduce the opportunity for other undertakings to use that technical solution [...]technical solutions are capable of protection only for a limited period, so that subsequently they may be freely used by all economic operators.”).

<sup>55</sup> Case C-205/13, *Hauck GmbH & Co. KG v Stokke A/S and Others*, AGO, ECLI:EU:C:2014:322, [34]-[35]; CJEU, above note 51, [19].

<sup>56</sup> *Koninklijke Philips Electronics NV*, above note 11 [80].

<sup>57</sup> *Hauck GmbH*, CJEU above note 51, [20].

<sup>58</sup> *Koninklijke Philips Electronics NV*, above note 11 [78].

looking for in the products of competitors, given that they are intended to perform an identical or similar function.”<sup>59</sup>

In relation to the second indent, the CJEU pointed out the clear link between unfettered competition in relation to technically-dictated shapes:

“When the shape of a product merely incorporates the technical solution developed by the manufacturer of that product and patented by it, protection of that shape as a trade mark once the patent has expired would considerably and permanently reduce the opportunity for other undertakings to use that technical solution. In the system of intellectual property rights developed in the European Union, technical solutions are capable of protection only for a limited period, so that subsequently they may be freely used by all economic operators. As OHIM pointed out in its argument summarised in paragraph 37 above, that consideration underlies not only Directive 89/104 and Regulation No 40/94, with regard to trade mark law, but also Regulation No 6/2002, in relation to designs.”<sup>60</sup>

The *Hauck* decision goes further to positively embrace the competition rationale as the *grundnorm* of the shape exclusions. The AG usefully analyses the normative functions of trade marks but ultimately underlines that particular shapes are excluded on a different purpose namely to promote competition. He found that all three indents were based on the same rationale since all of them serve to keep in the public domain the essential characteristics of particular goods which are reflected in their shape.<sup>61</sup> If we extrapolate this view, one can conclude that shape exclusions within trade mark law are essential for effective competition on the markets concerned.<sup>62</sup> The CJEU certainly affirms the competitive ethos albeit by a very different path as discussed below.

## (B) AESTHETICS AS A COMPETITIVE FACTOR

The AG in *Hauck* does note the delineation principle in passing – yes, the third indent is concerned with demarcating between trade marks on the one hand, and copyright and designs, on the other.<sup>63</sup> But the third indent is not confined to situations where the economic value of the goods lies solely in its aesthetic shape; rather the third indent covers “works of art or functional art”, and “practical objects” whereby the “design is one of the fundamental elements which determine their attractiveness, *and thus the market success* of the goods concerned”. Finally, the third indent will cover a wide category of goods – from those “purchased on account their aesthetic shape, as in the case of jewellery or fine cutlery”, to those goods where aesthetics can perhaps play a role, according to a “certain segment of the market”.<sup>64</sup>

The CJEU acquiesces with this view that the third indent does not merely cover such value-added shapes with artistic or ornamental value, but also cover other types of “aesthetic” elements. The latter can be identified with reference (though not solely) to the average consumer and market perception: including

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<sup>59</sup> *Hauck GmbH*, CJEU above note 51, [26].

<sup>60</sup> *Lego Juris A/S*, CJEU, above note 51, [46]. For other decisions employing a similar competition-based rationale, see *Hauck GmbH & Co. KG*, above note 51, [18]; *Société de Produits Nestlé SA*, above note 51, [44]; also see *Doceram*, AGO, above note 4 [44] (referring to a similar rationale).

<sup>61</sup> *Hauck GmbH*, AGO, above note 55, [28]; confirmed by the CJEU, above note 51, [20].

<sup>62</sup> *Hauck GmbH*, AGO, *ibid* [39], [33].

<sup>63</sup> *Ibid* [70].

<sup>64</sup> *Ibid* [78], [80]-[84]

the nature of the category of goods, the artistic value of the shape in question, the dissimilarity from other shapes in common use on the market concerned, price elasticity in relation to substitutable goods, and the development of a promotion strategies.<sup>65</sup> Thus, the third indent has been interpreted to include “substantial values” which includes a wide range of aesthetic considerations, evaluated from the perspective of the consumer. In short, what functions in the market place as a crowd pleaser? Having witnessed the inevitability of aesthetics in relation to shapes under design law, we should not be surprised at the linguistics employed the CJEU in understanding shape exclusions.

#### 4. FUNCTIONALITY AND COPYRIGHT: THE AUTONOMOUS ORIGINALITY DOCTRINE

The landmark decisions of *Flos SpA v Semararo*<sup>66</sup> and *Cofemel-Sociedade de Vestuário, SA v G-Star Raw CV*<sup>67</sup> see the genesis of two policies in relation to copyright protection of shapes: (i) cumulative protection under both design and copyright laws should not be unnecessarily barred, and (ii) a burgeoning functionality doctrine via the criterion of originality. In deconstructing *Cofemel*, we believe the CJEU is continuing its path on aligning its autonomous functionality doctrine in respect of shapes across the different rights.

##### 4.1 CUMULATION OF PROTECTION

The issue of copyright protection of technical shapes has been exacerbated by the piece-meal harmonisation programme in light of the absence of a unitary EU copyright regulation. At one end of the spectrum were countries such as France and Belgium where the view was that all objects, whether classified as pure art or manufactured industrially, deserved protection under both design and copyright laws if the objects satisfied the prerequisites under both laws<sup>68</sup> – the cumulative protection approach. At the other end of the spectrum were countries such as the United Kingdom, Germany and Italy who adopted a conscious delineation policy, employing legal tools such as creativity, artistic merit, or separability to ensure that protection was limited to non-industrially applied, creative or purpose-less artistic works.<sup>69</sup>

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<sup>65</sup> *Hauck GmbH*, CJEU above note 51, [34]-[36].

<sup>66</sup> Case C-168/09, *Flos SpA v Semararo Casa e Famiglia SpA*, CJEU; [2011] ECDR 8.

<sup>67</sup> Case C-683/17, *Cofemel - Sociedade de Vestuário, SA v G-Star Raw CV*; AGO, ECLI:EU:C:2019:363; CJEU ECLI:EU:C:2019:721.

<sup>68</sup> *Robin v. Romagnesi*, Cour de Cassation. 17 November 1814, available at *Primary Sources on Copyright (1450-1900)*, [http://copy.law.cam.ac.uk/record/f\\_1814](http://copy.law.cam.ac.uk/record/f_1814); Cass. Civ. 2 August 1854, D.P. 1854, 1, p. 395 (the object of the copyright Law was to prohibit the infringement of all creative works, irrespective of their categorisation as either works of fine art or works of applied art). For a discussion on the evolution of the theory and the difficulties thereof (especially in relation to the confusion of the tests of originality and novelty, as well as in relation to functional objects), see U. Suthersanen, *Design Law in Europe*, above note 5, paras. 13.001–13.040; C. Bernault, A. Lucas, A. Lucas-Schloetter, *Traité de la Propriété littéraire et artistique* (LexisNexis 2017); P. Greffe and F. Greffe, *Traité des dessins et modèles* (LexisNexis 2019); A-K Kahn, ‘The Copyright/Design Interface in France’, in E. Derclay (ed), *The Copyright/Design Interface*, (CUP 2018) pp 9-21.

<sup>69</sup> *Legal review on industrial design protection in Europe*, European Commission, 6/6/2016, above note 3, para. 3.6; *EC Green Paper*, above note 8, para. 5.4.6.1. The issue is not solved with reference to the Berne or Paris Conventions, or the TRIPS Agreement – on the international situation, see S. Ricketson and U. Suthersanen, ‘The design/copyright overlap: Is there a resolution?’, in *Overlapping Intellectual Property Rights*, in N. Wilkof and S. Basheer (eds) (Oxford University Press 2012). For further reading on the historical evolution – for UK see *Copinger & Skone James on Copyright*, eds. N. Caddick Q.C., G. Harbottle, G. Davies (Sweet & Maxwell, 17<sup>th</sup> Edition, 2019), chapter 13; for other EU member states, see Suthersanen,

While the CDR set out a unitary design law regime, a harmonizing directive was also issued in order to align national design laws throughout the EU. Article 17, design directive provided that a design could be eligible for cumulative protection under registered design law and copyright law; however “[t]he 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.”<sup>70</sup> From a linguistic perspective, this provision allowed diverse national approaches: German law continued to administer a higher threshold of creativity for shapes and designs, while British law maintained its closed classificatory system in relation to artistic works while drastically limiting the term of protection for industrially produced artistic works.

The CJEU in *Flos* dismissed this liberal interpretation: as long as a design meets the conditions under which copyright protection is conferred, Member States do not have a choice as to whether or not to confer copyright protection for a design protected by a registered design right.<sup>71</sup> The effect has been dramatic as it now appears that all industrially manufactured objects (and thus shapes and designs) are eligible for copyright protection if they fulfil the criterion of originality – which should be at the same level as applied to other genres of works.<sup>72</sup> However, did the *Flos* judgement remove the ability of Member States to add subjective qualifications related to artistic merit or character? This was the crux of the question referred to the CJEU in *Cofemel* in relation to Portuguese copyright law which protected “works of applied arts, industrial designs and design works which constitute artistic creations.”<sup>73</sup> The *Cofemel* decision concluded that EU law must be interpreted as prohibiting national copyright laws from conferring protection only on designs which create a distinct and noticeable visual effect from the

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*Design Law in Europe*, above note 5, chapters 13 (France), 14 (Germany), 15 (Italy); A. Ohly, ‘The Case for Partial Cumulation in Germany’, pp. 128-161 in *The Copyright/Design Interface*, *ibid*.

<sup>70</sup> Directive 98/71 on the legal protection of designs, [1998] OJ L289/28; a similar provision can be found in Article 96(2), CDR.

<sup>71</sup> *Flos SpA v Semeraro*, above note 66, [36]; confirmed in Case C-198/10, *Cassina SpA v Alivar Srl and Galliani Host Arredamenti Srl*, ECLI:EU:C:2011:570.

<sup>72</sup> Germany - *Birthday Train* decision, BGH, 24 November 2013, I ZR 143/12 (level of creativity doctrine which was applied to discriminate between literary and artistic works was relinquished in favour of a level playing field for all subject matter); UK - S.74, Enterprise and Regulatory Reform Act 2013 c.24 (repealing s.52, Copyright, Designs and Patents Act 1988 – which had curtailed copyright protection upon industrial application of an artistic work). For a discussion, see Suthersanen, ‘Copyright and Manufactured Objects: Aesthetic Considerations and Policy Discriminations’, in M. David & D. Halbert (eds.), *Sage Handbook of Intellectual Property* (Sage 2015); M. Ritscher and R. Landolt, ‘Shift of paradigm for copyright protection of the design of products’ (2019) GRUR Int. 12; A. Ohly, ‘The Case for Partial Cumulation in Germany’, above note 68, at 161-163 (discussing the fate of the *Birthday Train* case which was eventually denied copyright protection by the national court as it lacked the requisite creativity when compared to existing designs).

<sup>73</sup> Art.2.(1)(i), Portuguese Copyright Act, 1985. Similar positions prevailed in Italy and UK. Thus, the Italian appellate courts accepted that copyright protection should be available as a matter of course to industrial objects (especially furniture); however, such designs must possess creative character and artistic value - *Vitra Patente AG v High Tech s.r.l.*, Case No. 1983/2007, Court of Milan, September 13, 2012; *Le Corbusier – Cassina v High Tech S.r.l.*, Court of Milan, July 7, 2011; *Flos/Arco*, Court of Milan, September 20, 2012; *Megalco S.p.a. v City Design S.r.l.*, Judgement No. 23292, Italian Supreme Court, 13 November 2015. Also see P. Marzano, ‘An ill designed protection for a well designed product: Italy and its copyright protection of Industrial Design’, (2014) 240 *Revue Internationale du Droit d’Auteur* 119; E. Derclaye, ‘The Copyright/Design Interface in Italy’, pp. 269-289, in *The Copyright/Design Interface*, above note 68.

The insistence on “artistic merit” for three-dimensional works of applied arts under UK law is well known – see Suthersanen, ‘Copyright and Manufactured Objects’, *ibid* at 546-548.



aesthetic point of view. All designs (including all shapes) are entitled to protection under EU copyright law.

Despite a further referred question as to the nature of “artistic character” required, the CJEU declined to answer that question deeming the originality criterion sufficiently robust to address all concerns. Indeed, one can say that irrespective of national classifications of subject matter,<sup>74</sup> the jurisprudential precedents set by the CJEU dictate that all subject matter is only subject to the EU work/originality criteria. We now turn to the latter part of the reasoning.

The CJEU found it inconceivable that Member States could determine conditions of protection, since this position, the Court asserts, is harmonized under EU law. This is the only logical conclusion as long as one accepts that much of the harmonisation on originality and subject matter did not precede from legislative measures but is based on the CJEU’s own judicial activism in relation to the InfoSoc directive.<sup>75</sup>

## 4.2 THE FUNCTION OF “ORIGINALITY” IN COPYRIGHT

The CJEU confirmed two fundamental axioms of EU copyright protection. First, a work must constitute subject matter that “is identifiable with sufficient precision and objectivity”. In extending this phrase, which the court had previously identified in *Levola Hengelo*, the CJEU confirmed that concepts such as “aesthetic effect” or “aesthetically significant visual effect” were not acceptable pre-requisites of protection:

“[...] as follows from the usual meaning of the term ‘aesthetic’, the aesthetic effect that may be produced by a design is the product of an intrinsically subjective sensation of beauty experienced by each individual who may look at that design.”<sup>76</sup>

The Court was cognisant of the fact that aesthetic considerations play a part in creative activity but this is of no avail as they do not *per se* reflect “the freedom of choice and personality of its author”.<sup>77</sup> The second axiom of EU copyright law is that the subject matter should be original in that it should reflect “the personality of its author, as an expression of his free and creative choices.”<sup>78</sup> If the subject matter

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<sup>74</sup> *Cofemel*, CJEU, [29], citing *Infopaq International*, C-5/08, EU:C:2009:465, [37], [39]; and *Levola Hengelo*, C-310/17, EU:C:2018:899, [33], [35]-[37], and the case-law cited. This reasoning would have implications for the UK closed list classification system (ss. 1, 4, of UK Copyright, Designs and Patents Act 1988).

<sup>75</sup> Thus the *Cofemel* decision (as do other cases) adopts a harmonised reading of the copyright landscape from the provision dealing with the reproduction right under Parliament and Council Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society, [2001] OJ L167/10 (InfoSoc directive), art. 2(a). *Cofemel*, above note 67, AGO [47], CJEU [58]. Support for this interpretation (and interestingly, the European Commission’s brief argued a similar view in *Cofemel*) is drawn from the fact that although Member States are entitled to determine the extent of copyright protection under Art. 17, this does not allow these countries to tinker with the duration of copyright protection due to the harmonisation of the term of copyright protection. See for instance: Case C-5/11, *Re Criminal Proceedings against Donner*, AGO, [2012] ECDR 18, [AG32]; Directive 2011/77/EU amending Directive 2006/116/EC on the term of protection of copyright and certain related rights, [2011] OJ L265/1. For a remarkably prescient discussion on this, see H.C. Jehoram, “Cumulation of protection in the EC design proposals” (1994) 16(12) EIPR 514, at 520. For contrary views, see L. Bently, (2012) “The return of industrial copyright?”, (2012) EIPR 654 and the European Copyright Society’s *Opinion on Cofemel*, above note 31.

<sup>76</sup> *Cofemel*, *ibid* CJEU [53], [32]-[34]; citing Case C-310/17, *Levola Hengelo*, above note 74, [40]-[42].

<sup>77</sup> *Cofemel*, *ibid* CJEU [54].

<sup>78</sup> *Cofemel*, *ibid* [30], citing Case C-145/10, *Painer*, EU:C:2011:798, [88],[89] and Case C-161/17, *Renckhoff*, EU:C:2018:634, [14].

has been “dictated by technical considerations, rules or other constraints, which have left no room for creative freedom”, then the work is not sufficiently original.<sup>79</sup> Some of this reasoning has been confirmed in the recent AG’s opinion in the *Brompton Bicycle* decision where the referring question asked whether the current copyright law under the InfoSoc directive excludes “from copyright protection works whose shape is necessary to achieve a technical result?”<sup>80</sup> The AG reminds us that the CJEU has (in relation to computer programs) held that if the expression of the components of a subject matter

‘is dictated by their technical function, the criterion of originality is not met, since the different methods of implementing an idea are so limited that the idea and the expression become indissociable’.<sup>81</sup>

Thus, in addition to the *Cofemel* court’s holding that that technical considerations or constraints can curtail creative freedom, and thus originality, the *Brompton Bicycle* opinion employs the idea-expression dichotomy to ensure that functional elements are not eligible for copyright protection. It is suggested that these concepts of work and originality build an important functionality sub-rule within copyright law, which is akin to that in *Doceram*. The CJEU’s line of reasoning is based on all the relevant EU and international legislation.<sup>82</sup> The Court has also logically incorporated its steady (and some may say stealthy) expansion of the notion of an “original work”.<sup>83</sup> Moreover, there is emphasis throughout the AG’s and CJEU’s arguments on “free and creative choices”, which is now determined with reference to technical restraints.

### 4.3 THE FUNCTIONALITY RULE (AND OTHER ANTI-COMPETITIVE SAFEGUARDS)

We would further argue that the ancillary role of “original” (as the guardian in respect of technically dictated shapes) is based on the concern as to the anti-competitive effects of copyright protection of mass-produced, everyday design products. The AGs’ opinions in *Cofemel* and *Brompton Bicycle* attempt to address the concerns which have been voiced as to extending copyright protection to mass-manufactured

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<sup>79</sup> *Cofemel, ibid* [31], citing Case C-604/10, *Football Dataco and Others*, EU:C:2012:115, [39] and the case-law cited.

<sup>80</sup> *Brompton Bicycle*, above note 34, AGO [28]. The work in issue is a bicycle whose folding system was at one time protected by a patent right.

<sup>81</sup> *Brompton Bicycle*, above note 34, [63], citing *Bezpečnostní softwarová asociace*, C-393/09, CJEU, EU:C:2010:816, [49]-[50].

<sup>82</sup> Arts. 2(1), 2(7), Berne Convention; Art.25, TRIPS Agreement (discussed in AG Opinion); Art.1(4), WIPO Copyright Treaty; Recital 8, Article 17, Directive 98/71/EC on designs; Recital 32, Art. 96 (2), Regulation (EC) No 6/2002 on designs; Recital 60, Articles 2 (a),9, Directive 2001/29/EC (Infosoc).

<sup>83</sup> The doctrinal evolution is clear from these particular decisions: C-05/08 (*Infopaq*), 2009: “...copyright within the meaning of Article 2(a) of Directive 2001/29 is liable to apply only in relation to a subject-matter which is original in the sense that it is its author’s own intellectual creation...if the elements thus reproduced are the expression of the intellectual creation of their author”; C-393/09 (*Bezpečnostní softwarová asociace*), 2010: “...where the expression of those components is dictated by their technical function, the criterion of originality is not met, since the different methods of implementing an idea are so limited that the idea and the expression become indissociable.”; C-145/10 (*Painer*), 2011: copyright is available if “such photograph is an intellectual creation of the author reflecting his personality and expressing his free and creative choices in the production of that photograph.”; C-168/09 (*Flos*), 2011(as discussed above); “The intention of the European Union legislature to confer that protection also emerges clearly from recital 8 in the preamble to Directive 98/71, affirming, in the absence of harmonisation of copyright legislation, the principle of cumulation of protection under specific registered design protection law and under copyright law.”; C 604/10 (*Football Dataco*, 2012): “By contrast, that criterion is not satisfied when the setting up of the database is dictated by technical considerations, rules or constraints which leave no room for creative freedom”; C 310/17 (*Levola*, 2018): “Accordingly, for there to be a ‘work’ as referred to in Directive 2001/29, the subject matter protected by copyright must be expressed in a manner which makes it identifiable with sufficient precision and objectivity, even though that expression is not necessarily in permanent form.”.

shapes and designs without limitations. Will copyright protection be anti-competitive due to the long duration and relatively low pre-requisites? Would the scope of protection be too nebulous without registration? Does the *Cofemel* reasoning undermine *sui generis* design protection?

AG Szpunar in *Cofemel* argues that there are several intrinsic anti-competitive guards within copyright law. While the rationale of design protection is based on market realities and competition, the objectives of copyright law are to create an environment for “dialogue, inspiration and reformulation.” In pursuing these objectives and in allowing the “unhindered economic exploitation of the work as such”, the AG points out to all the different mechanisms that ensure the fulfilment of the different objectives. Thus, the EU originality criterion is interpreted to act as an anti-competitive barrier - demanding objectivity and excluding works dictated by technical constraints. Next, the idea-expression principle within copyright law will further mitigate the anti-competitive effects of copyright protection. This reasoning reiterates what was highlighted earlier in the 1991 EC Green Paper on designs which rationalised the technical function exclusion for designs by analogising it to the idea/expression dichotomy within copyright law.<sup>84</sup> Finally, the scope of protection between the two regimes is dissimilar. Design law protects the “global visual impression” based on a first-come, first-claim rule; the scope of copyright protection cannot extend to prevent a similar work being created independently without access or unauthorised reproduction being proved.<sup>85</sup>

AG Sánchez-Bordona treads on a similar path in *Brompton Bicycle* with *obiter* on the function of patent law vis-à-vis design and copyright laws; However, he goes further and asserts boldly that:

“as a general rule, works (objects) of applied arts whose shape is dictated by their function cannot be protected by copyright. If the appearance of a work of applied art is *exclusively dictated* by its technical function, as a *decisive* factor, it will not be eligible for copyright protection.”<sup>86</sup>

And here we have the AG arriving at a similar conclusion as us – the functionality rule has to be in some alignment across the different IP rights in relation to shapes.<sup>87</sup> One may be initially dismayed at the AG’s language i.e. “exclusively dictated by its technical function”, especially in light of the saga within design law in arriving at a single position. Nevertheless, we are firmly assured that this general rule will be in line with those governing designs and trade marks, relying on *Doceram* and *Lego Iuris*.<sup>88</sup> In line with the CJEU’s objective multi-factorial assessment, the AG confirms the following should be given some consideration: the existence of an earlier patent or design right in the same product, the effectiveness of the shape in achieving the technical result and the intention to achieve that result.<sup>89</sup>

The first two factors are understandable: the existence of an earlier patent may help determine the presence of technical constraints, and explain the spatial relationship between the chosen shape and the desired functionality; the existence of alternative shapes is the exact same issue as discussed in *Doceram*

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<sup>84</sup> *EC Green Paper*, above note 8, para. 5.4.6 (“.. if there is no choice when designing a product with a given effect, there is no personal creativity displayed and consequently nothing to protect - at least under copyright or design law.”)

<sup>85</sup> *Cofemel*, above note 67, AGO, [54]-[66]; *Brompton Bicycle*, above note 34, AGO [53]-[56].

<sup>86</sup> *Brompton Bicycle*, *ibid* [65]; for discussion on the function of patent law, see [36]-[45].

<sup>87</sup> *Brompton Bicycle*, *ibid* [70] (“It is true that each of those three fields (designs, trade mark law and copyright) have their own features which mean that the legal provisions governing them cannot be treated identically. However, I do not believe there is any reason why the Court’s considerations concerning one of those fields should not be cautiously applied to the others where it is a case of interpreting a rule applicable, albeit with nuances, to all of them.”)

<sup>88</sup> *Brompton Bicycle*, *ibid* [66], [68], [69].

<sup>89</sup> *Brompton Bicycle*, *ibid* [78]-[98], [102].

with the AG confirming a similar approach within copyright law. The final factor concerns the designer's intention. One can wonder why this is thought to be an objective consideration. As we stated above, one is not quite clear whether the *Doceram* decision quashed the "motivation of the designer" factor, and curiously the AG here believes it is relevant for the purposes for ascertaining originality. One may argue that this will introduce far too much subjectivity. What is more perplexing is that the AG dismisses other, perhaps more objective, identifiers of function such as exhibitions or museums stating that these merely confirm that an industrial object can incorporate aesthetic components.<sup>90</sup>

## 5. CONCLUSION: DEFENDING THE CJEU'S DOCTRINE

We have attempted to trace the CJEU's nascent functionality doctrine from *Doceram* to contemporaneous trade mark decisions (*Philips*, *Hauck* and *Lego Juris*) to the more recent jurisprudence in *Flos* and *Cofemel*, taking into account the AG's opinion in *Brompton Bicycle*. We have tried to convince our readers of the continuous interpretation of the functionality doctrine using the rhetorical and legal language of competition. We have noted the crystallisation of the assessment factors, especially in design and trade mark laws, and we believe these factors further signal the importance of market behaviour.

As we have alluded to in our Introduction, the CJEU has shifted tenets within design, copyright and trade mark laws to create a *pointilliste* landscape namely its autonomous functionality doctrine within IP. Moreover, we would argue that this in accordance with the Court's judicial activism in the field of IP law.<sup>91</sup> This is especially evident in the area of EU copyright law where in light of the substantive gaps and conflicts between the various directives, the CJEU has assumed the responsibility of ensuring "conceptual consistency" across various directives *ex post* its landmark judgement in *Infopaq*.<sup>92</sup> The Court also appears to be conscious of the criticism that this is law making *par excellence*, and possibly *ultra vires*:

"The Court has to perform its work of interpretation within a complex landscape involving several directives. These were adopted at different points in time and refer to different subject-matter, but pursue similar objectives[...] Should we seek, given this context, to develop a functional consistency that considers the different directives as more or less autonomous entities or should we pursue a conceptual consistency by viewing all these directives as an integrated whole? The Court prefers, in this respect, the conceptual approach, at the risk of being criticized by that body of doctrine that believes this role should be exercised by the legislative organs of the European Union"<sup>93</sup>

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<sup>90</sup> *Brompton Bicycle*, *ibid* [93]-[94].

<sup>91</sup> To emphasize, we do not advocate that the CJEU's reasoning is akin to the common law *stare decisis* doctrine; however, there are growing convergences as to how the CJEU employs precedents, and then refers to such precedents as "established case-law", using a string of citations. For a thorough discussion in this area, see M. Jacob, *Precedents and case-based reasoning in the European Court of Justice*, (CUP 2014); also see A. Firth "Code, autonomous concepts and procedure", above note 7, 74-79.

<sup>92</sup> *Infopaq International A/S*, above note 74. See J. Griffiths, "The role of the Court of Justice in the development of European Union Copyright Law," in I. Stamatoudi & P. Torremans, *EU Copyright Law: A Commentary* (Edward Elgar 2014), chapter 20; M. Favale, M. Kretschmer, P.L.C. Torremans, "Is There a EU Copyright Jurisprudence? An Empirical Analysis of the Workings of the European Court of Justice" (2016) 79(1) *Modern Law Review* 31-75.

<sup>93</sup> Speech of Judge J. Malenovský, CJEU, Annual conference on European Copyright Law, as cited in Griffiths, *ibid*, [20.06]; for a more general analysis, see P. Craig, "The ECJ and *ultra vires* action: A conceptual analysis", (2011) 48(2) *Common Market Law Review* 395-437.

## 5.1 DECLINE OF THE DELINEATION DOCTRINE

Some jurists may decry the *Doceram/Haucke/* policy-led doctrines arguing that it undermines several basic tenets of IP law including: overlapping of rights should be controlled, the functionality provisions under design and trade mark laws are couched in different language; the alignment of concepts undermine the different justificatory bases of rights; etc. etc. From these various positions, we arrive at the delineation rationale.

We would argue that the delineation rationale is outdated. Doctrinally, it goes against the CJEU's holistic "conceptual consistency" approach; realistically, it is unreflective of how manufacturers and consumers behave. Take for instance the debate within trade mark law. On a closer examination, we find that tribunals have been inconsistent in applying the rationale or have found delineation to be a subset of the general competition rationale of trade mark law.<sup>94</sup> In relation to the third indent shape exclusion (substantial value), it was perceived to be based on a delineation rationale having been imported from the Benelux template. However, the Benelux Court of Justice discarded this basis stating that it was not necessary to limit protection to such shapes which were not worthy of design or copyright protection.<sup>95</sup> Indeed, in its view, the wording and legislative history of the provision was not aimed at merely delineating trade marks from other IP rights and was independent of the issue of cumulation; instead the provision was intended "to protect the freedom of competitors to give the same shape to their products in order to increase the value of those products."<sup>96</sup> Similar arguments go for the second indent exclusion/technical function exclusion - if the European legislator wanted to merely delineate the different rights, they could have used different language outlining such an approach. Much wider language was employed.<sup>97</sup> Finally, the first indent of the shape exclusion cannot be explained by the delineation principle at all – such shapes belong to natural goods or are a result of a standardised approach. Indeed, the fact that the CJEU has extended the first indent to such shapes with essential characteristics "which are inherent to the generic function or functions of such goods"<sup>98</sup> reinforces our view that the shape exclusions are based on an economic rationale to avoid the creation of natural monopolies.<sup>99</sup>

## 5.2 A SOCIO-ECONOMIC EXPLANATION

On the other hand, the current CJEU jurisprudence as to the interpretation of the functionality provisions should be appreciated within a wider context namely that there is a tacit acceptance within design, trade mark and copyright laws that:

- product shapes are a merger of form and function and are *ab initio* protectable;
- the presence of some functional features should not be construed as being "dictated by function" or patentable;
- functionality should not be defined *in contra* to aesthetic or artistic merit;
- functionality should be gauged with reference to how the product and its shape functions vis-à-vis the market or consumer or public;

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<sup>94</sup> See Part 3(2) above, and note 46.

<sup>95</sup> *Burberrys Ltd. / . Supervconfex B.V.*, Urteil des Benelux-Gerechthof vom 14. April 1989, GRUR Int 1990, 863, 864.

<sup>96</sup> Gielen, "Substantial Value Rule", above note 46, at 165, 167; Henning-Bodewig & Ruijsenaars, "Alternative Protection for Product Designs", above note 46 at 655-656.

<sup>97</sup> Suthersanen, "The European Court of Justice in *Philips v Remington*", above note 11, 267.

<sup>98</sup> *Hauck GmbH*, CJEU above note 51, [24]-[25].

<sup>99</sup> Gustavo Ghidini, *Innovation, Competition and Consumer Welfare in Intellectual Property Law* (Edward Elgar 2010) 165.



The AG in *Hauck* advocated such an approach when he adopted the broader construction of the third indent of the shape exclusion:<sup>100</sup>

“The interpretation of that provision which I am proposing takes account of the fact that a particular product may perform multiple functions. There is no doubt that in addition to its original practical function (for example, a loudspeaker as an appliance for listening to music) a product can also satisfy other consumer needs. It is conceivable that a substantial value of the product results not only from the features which serve to carry out its practical function but also from its aesthetic qualities (for example, a loudspeaker can also perform a decorative function). The fact that a particular product performs a decorative as well as a practical function does not, in my opinion, rule out the possibility of applying the third indent of Article 3(1)(e) of Directive 89/104. That, in my view, is so in the case of certain designer goods whose aesthetic characteristics constitute the principal reason, or at least one of the fundamental reasons, for the customer deciding to make his or her purchase.

In accordance with the competitive ethos, the CJEU appears to also be advocating, at least in *Doceram* and *Hauck* that some of the considerations in determining whether the exclusions apply include the nature of the goods, the intended or actual use of the goods on the market, the advertising literature, the existence of prior IP rights, and the visual aesthetics. We have discussed this in detail in Part 2(2) above in relation to *Doceram*, and here we simply turn for reinforcement to the AG in *Hauck*:

“... the perception of the shape concerned by the consumer is not the decisive assessment criterion. It constitutes one of several, fundamentally objective facts which demonstrate that the aesthetic characteristics of a shape affect the attractiveness of the goods to such an extent that the reservation thereof to a single undertaking would distort competition on the market concerned. Other such circumstances are, for example: the nature of the category of goods under consideration, the artistic value of the shape concerned, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference in relation to other competing products with similar characteristics, and the development by the manufacturer of a promotion strategy emphasising principally the aesthetic characteristics of the goods concerned.<sup>101</sup>

The current AG/CJEU approach appears to understand that the design may evolve from a technical object into a powerful communicative tool. Consider the subject matter of the *Philips v Remington* decision – the electric shaver. The innovative engineer may primarily focus on achieving technical superiority within the marketplace, choosing a particular configuration of lines and surfaces to achieve that purpose; the manufacturing corporation may naively perceive consumers basing their purchasing choice solely on price and technological superiority which drives the firm’s pricing and advertising strategy. With the passage of time, we may find that the consumer continues to choose the product despite other competing substitutes (in terms of purpose and price) in the market. It may be because the shape of the shaver has evolved into an information carrier factually capable of denoting either origin or conveying quality or aesthetic value (it is now exhibited in a museum as an iconic design).<sup>102</sup> This is highly likely in particular industries such as the fashion or furniture sectors. So, a furniture designer may attempt to impose order through selecting features based on the certain determining factors with an emphasis on purpose (comfort of a chair), intended consumer (a child), ergonomic and safety factors (sturdy legs, reliability and safety), aesthetics (sleek lines and curvature, type of materials used), and efficient mass-production.

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<sup>100</sup> *Hauck GmbH*, AGO above note 4, [85].

<sup>101</sup> *Hauck GmbH*, AGO above note 4, [89].

<sup>102</sup> The English courts in *Lucasfilm Ltd. v Ainsworth*, UKSct. [2011] UKSC 39; [2011] 6 E.C.D.R. 21 should perhaps have applied this logic and realized that shapes can be devised initially as utilitarian helmets worn in a battle scene of a film (with no regard as to whether they looked good or pretty) but can then evolve into integral parts of an artistic film set and subsequently into iconic art works sold in Christie’s auction house.

Not only is the creative input of the engineer/designer/creator relevant, but one should note the external constraints which affect the availability of choices. In a sense, the CJEU's reference to availability of choice in *Cofemel* reflects the market constraints facing any engineer or i.e. market need, ergonomics, aesthetics, communication etc.

These factors are also highly similar to those used by courts to identify a relevant product market, in the context of competition law. A workable and realistic competitive environment has several criteria: a large number of traders; output levels and product quality (including variety) which satisfy consumer demands; no waste of producers' resources and opportunities for introducing technically superior new products.<sup>103</sup> The shape of goods is an important element in determining the performance of relevant product market especially in encouraging product differentiation. Moreover, the shape of a product is a recognized factor in consumer motivation to purchase a product.<sup>104</sup>

Exclusionary subject matter are often underpinned by public interest considerations. It is in the public interest, in the case of shapes, for a cross-IPR alignment of the functionality test which incorporates a multi-factor test which aims to situate the subject matter of the IP right within the relevant product market. And this is what the CJEU has developed with its autonomous functionality doctrine.

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<sup>103</sup> F.M. Scherer & D. Ross, *Industrial Market Structure and Economic Performance*, Houghton Mifflin:Boston, 1990, pp 17, 53-55.

<sup>104</sup> Consumers are motivated by a variety of reasons to purchase a product, of which some are attributable to the designer's efforts. See discussion above. See S. Bayton, Motivation, Cognition, Learning - Basic Facts in Consumer Behaviour, in *Dimensions of Consumer Behaviour*, J. McNeal (Ed.) (Appleton Century Crofts 1965), pp 24 *et seq.*; S. Oddi, "Consumer Motivation in Trademark and Unfair Competition Law: On the Importance of Source", (1986) 31 Vill. L.R. 1, 3 *et seq.*; John O'Shaughnessy, *Why People Buy* (OUP 1987), chapters 5,6,7; D. Ullman, above note 20, p. 111.