

Selected topics of current EU design law: Gnomes, radiators and technical function

Introduction

Designs are themselves eclectic, since they are created by such a diverse range of people. Industrial designers, fashion designers, artists, draughtsmen and engineers are among the range of people who create designs on a daily basis. Given this diversity, it is hardly surprising that the topics for discussion to which such objects of IP give rise are equally varied.

This paper looks briefly at the two cases that have come before the EU Courts in Luxembourg in the last 12 months before going on to discuss issues that have arisen at the level of OHIM Boards of Appeal in cases involving technical function.

Court of Justice Case-Law

In its judgment of 18 October 2012 in Joined Cases C-101/11 P and C-102/11 P, **Herbert Neuman and Andoni Galdeano del Sel v OHIM**, ('Ornamentation') the CJEU was called upon to review the judgment of the GCEU taken in the same case and involving the following signs:



Contested RCD
(‘T-shirts, caps, stickers, etc’)



Earlier CTM
(Classes 25, 28 and 32)

The GC annulled the decision of the Board that had held that the contested RCD was invalid because it lacked individual character. The GC found that the differences between the two silhouettes were sufficiently significant to create a different overall impression on the informed user. More particularly, the Court considered that the overall impression on the informed user (which included children and young people as well as users of printed matter) was largely created by the respective facial expressions of the two figures compared. Even if the designer of this kind of silhouettes enjoys significant freedom in terms of the technique for drawing them, the Court was convinced that the difference in the facial expression of the two designs is a fundamental characteristic which will be remembered by the user.

On appeal to the Court of Justice, the CJEU essentially confirmed the validity of the lower Court’s finding for the following reasons:

- (1) The GC was not bound in this case to limit its review to manifest errors of assessment of the validity of designs, because the Office failed to establish that the assessment in question was of a highly technical nature. Had the assessment been highly technical, that would have justified the Court limiting the scope its review to manifest errors only (para. 41 of the judgment).

- (2) The concept of the ‘informed user’ is to be understood as ‘lying somewhere between that of the average consumer, applicable in trade mark matters, who need not have any specific knowledge and who, as a rule, makes no direct comparison between the trade marks at issue, and the sectoral expert, who is an expert with detailed technical expertise’ (para. 53). Thus, it may be understood as referring, not to a user of average attention, but to a particularly observant one, either because of his personal experience or his extensive knowledge of the sector in question (para. 53).
- (3) When comparing the earlier mark and the contested design, the GC did not err in law by basing its reasoning on the informed user’s imperfect recollection of the overall impression produced by the two silhouettes. Clearly, ‘when possible, [the informed user] will make a direct comparison between the earlier mark and the contested design. However, it cannot be ruled out that such a comparison may be impracticable or uncommon in the sector concerned, in particular because of specific circumstances or the characteristics of the items which the earlier mark and the contested design represent’ (para. 54). In the event, the GC started from the premiss that an informed user would in all likelihood make a direct comparison of the signs and thus committed no error.
- (4) The GC cannot be criticised for only taking into account part of the relevant public. The GC took into consideration the whole of the relevant public as defined by the Board of Appeal (young people, children and users of printed matter, including advertising materials) by referring to that public when examining the impression produced by the earlier mark and the contested design (para. 61). The GC merely subsequently affirmed that the difference in the facial expression of the two silhouettes would, in particular, be clear to young people and children.
- (5) The allegation that the GC was incorrect in basing overall impression on a comparison of the facial expressions is one that essentially relates to the factual analysis made by the GC and, as such, is outside the CJEU’s scope of review unless (which is not the case) a distortion of the facts is shown to have occurred.
- (6) The GC was not bound to have considered Article 25(1)(e) CDR (likelihood of confusion between the earlier CTM and the RCD) because this was not raised in the appeal before it. In essence, it was not ‘a matter of public policy which the General Court had to raise of its own motion’ (para. 71).

Importance

The CJEU has confirmed the view that EU designs law is not so technical that the GC cannot do a full review of the case. This contrasts with the cautious approach that the GC has taken in cases involving vegetable and plant varieties, where it has limited itself to a review of manifest legal errors.

Some may doubt the assertions of the Court. However, the judgment leaves the theoretical possibility open for the parties convincing the GC that the case is so technical that it should make a more limited review. On a pragmatic level, this looks like it would be very difficult to achieve since the Court has already made full reviews of Board decisions in cases involving lawn mower internal combustion engines and reducers (judgments of 9 September 2011 in

Case T-10/08 and Case T-11/08 INTERNAL COMBUSTION ENGINE and judgment of 6 October 2011 in Case T-246/10, REDUCERS).

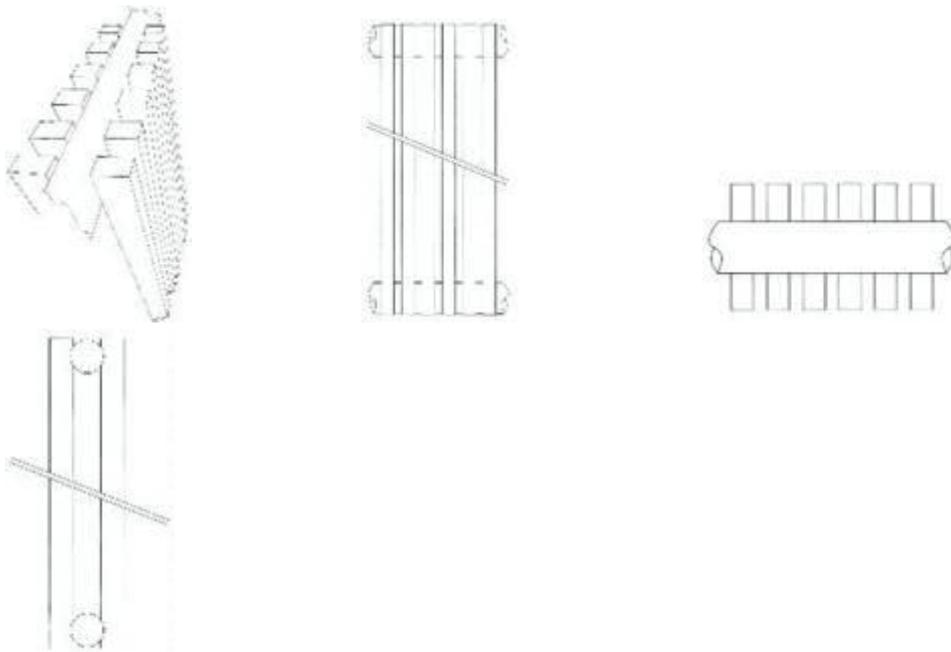
The CJEU believes that *assessment of the overall impression* under Article 6 CDR is a mere question of fact, and is therefore outside its jurisdiction. This is in line with comments it has made, in a trade mark context, on likelihood of confusion and thus means that the only possibility for appeal on that matter is to demonstrate that there has been a distortion of facts. In practice, this never happens. This means that the General Court will in most cases, where *questions of similarities and differences* between two conflicting designs are the subject of appeal in invalidity proceedings initiated before OHIM, be the Court of final instance.

The Court of Justice was at pains to justify the General Court's assessment of 'young people, children and users of printed matter, including advertising materials' as constituting the 'whole of the relevant public'. This is highly questionable because the earlier mark covers 'clothing, footwear, headgear; games and playthings; gymnastic and sporting articles; beers; mineral and aerated waters, other non-alcoholic drinks; fruit drinks and fruit juices, syrups and other preparations for making beverages', while the indication of products for the contested design is for 'T-shirts (Ornamentation for -), caps (Vizored -) (Ornamentation for -), stickers (Ornamentation for -), printed matter, including advertising materials (Ornamentation for -)'. If the informed user covers users of both signs, or even if it is limited just to the contested RCD, older people can use these products. In any case, 'users of printed matter, including advertising materials' is so general that it would potentially cover anyone able to read and is therefore not able to provide a useful reference point (see, on this point, http://class-99.blogspot.com.es/2012_12_01_archive.html). The proof of this is that neither the General Court nor the ECJ are able to draw any specific conclusions from qualifying the informed user, especially, when considering and weighing similarities and differences between the conflicting designs (see http://class-99.blogspot.com.es/2012_12_01_archive.html).

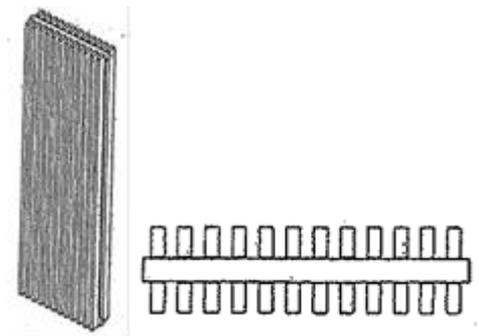
None the less, further clarifications are offered by the Court regarding the level of attentiveness of the informed user, who is to be considered 'particularly observant', without those powers of observation reaching the level of an expert in the particular field in question. On the other hand, such attentiveness apparently will not exclude the possibility that the informed user has to rely on an imperfect recollection, when direct comparison is impracticable or not the norm in the particular sector (especially because of the characteristics of the products). This reasoning seems somewhat contradictory; if the informed user is particularly observant, why will he or she be prone to an imperfect recollection? On the other hand, the 'take home' message from the Court for decision-takers is that they should always start by considering the direct comparison scenario. This strongly suggests that imperfect recollection is to be used with the utmost caution by decision-makers and, in all likelihood, is best avoided save in the most exceptional cases. Just what those cases are remains to be seen.

General Court Case-Law

In its judgment of 13 November 2012, in joined Cases No T 83/11 and T 84/11, **Radiator**, the GCEU annulled two decisions of the Board that had declared RCDs for 'radiators for heating' to be invalid. The contested RCDs were the following:



They were claimed to be invalid for lack of novelty and individual character, on the basis of the following earlier design:



The Invalidity Division considered the designs to be substantially identical, save for immaterial details, and thus held the earlier designs to lack novelty. The Board confirmed the finding of invalidity, but on the basis of lack of individual character.

The General Court annulled the finding of invalidity. Its findings may be summarised as follows:

- (1) Informed users are particularly observant, either because of their personal experience or their extensive knowledge of the sector concerned. However, that does mean that they can distinguish design elements dictated by technical function from those that are arbitrary (paras. 39 - 40).
- (2) An RCD's scope of protection is not defined either by its product classification, which is merely for administrative purposes, or the actual size of the product to which the design is intended to be applied. Instead, what counts is the description indicated in the application for design registration (paragraphs 56 - 57).

(3) In assessing the individual character of the contested designs, the Court considered that the presence of broken lines indicated those parts of the designs falling outside the scope of protection (in this case the ends of the collectors - paragraph 55).

(4) Moreover, while small differences between the designs may not give rise to a different overall impression where the degree of freedom of design is high, they may be sufficient where the degree is limited. The Court rejected the argument that general sectorial trends act as a restriction on the degree of freedom of design (because they only relate the aesthetic perception of a design and the commercial success of the design but do not affect the overall impression produced by the designs on the informed user). Furthermore, design freedom was not limited in this case because alternative designs could have been conceived. In this case, the Court considered that differences in the proportions of internal elements was important (paragraph 71). In reaching that finding, the Court was heavily influenced by the fact that, although design freedom was not technically or legally limited, the Board had not taken account of the argument regarding saturation (or crowding) of prior art displaying similar features in the particular field (paragraphs 77-98). That crowding may affect the perception of the informed user so that the differences in internal proportions of the designs concerned would be immediately perceived by the informed user and would give rise to different overall impressions (paragraph 77). However, the Court emphasized that the 'saturated' or crowded field of prior design art is not the same as design freedom, and that it is always for the party to show that the 'saturation' will make the informed user more attentive. Since 'saturation' had been raised in the appellant's arguments but the Board of Appeal had not dealt explicitly with it in its decision, the Board's decision was overturned.

Importance

The Court has made a clear distinction between the degree of freedom of the designer and the 'saturated' or 'crowded' field of prior art. Design freedom is not limited by the existing prior art having reached saturation point but by legal or technical constraints. Where design freedom is restricted, this will invariably make the informed user more alive to even small differences between the designs. If design freedom is in no way curtailed, small differences will not be perceived (this is known as the theory of reciprocity). On the other hand, the 'saturated' or 'crowded' field, may be a contributory influence in the perception of the overall impression of the design by the informed user, especially his or her sensitivity to certain changes in the proportions of the designs compared.

The possibility of such an acutely aware informed user is somewhat incongruous with the Court's insistence that he or she will be incapable of discerning between features dictated by the technical function of the product and those which are arbitrary. Whether this is true or is just a legal fiction does not really matter because it has by now become a well established tenant of case law.

Similarly, the rejection of the argument that general trends amount to a restriction of the freedom of the designer also follows previous case law (Shenzhen Taiden Industrial Co v

OHIM), holding that assessment of the individual character of a design is to be made without taking account of aesthetic or commercial considerations (see <http://jiplp.blogspot.com.es/>). The Court believes that those considerations stimulate designers to be more original.

In addition, the Court makes clear that use of broken lines in the application form will be taken as showing parts of the design for which protection is not sought and that, as with trade marks, the classification system is merely for administrative purposes and will not override the description of the design given in the application form.

Technical Function

The issue of freedom of design, which has given rise to the theory of reciprocity (see *supra*) is inexorably linked to that of technical function. If many of the features of compared designs are completely functional, small differences in the remaining elements may be enough to establish novelty and individual character. This will be all the more so where the prior art and design corpus is similarly endowed with multiple technical features, even though, as the Court has pointed out (see ‘Radiatori’ judgment *supra*), informed users might not be able to perceive certain features as being technical. However, clear guidelines on assessing technical function in designs have yet to be given by the EU Courts in Luxembourg.

Article 8(1) of the Community Design Regulation (CDR) prohibits design protection for features solely dictated by technical function. In his opinion in *Philips v Remington*, Case 299/99, Advocate General Ruiz-Jarabo stated at para.34.

‘...the level of “functionality” must be greater [than is the case for trade marks] 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.’

Accordingly, where a product can only be made in one shape, no design freedom can exist and the product design is likely to be solely technical in character. But just what is the correct test has not been confirmed at the highest levels in the EU. The citation from Advocate General Ruiz-Jarabo’s opinion was not pronounced upon by the Court of Justice in the *Philips v Remington* judgment, since that case dealt with a shape mark and not a design. In the meanwhile an ever increasing number of registered Community designs for technical products have populated the register, drawing attention to the fine line that separates designs from patents.

Although technical features of a product can be patentable or protected as utility model (where new and innovative), the protection period is short. This makes the longer period of protection afforded by designs all the more attractive (as well as the unlimited trade mark period of protection). There is an obvious interest in attempting to prolong a monopoly in certain technical features without having to comply with the relatively tough requirements of patent law. The rationale behind the relevant provisions of the EU legislation in designs and trade marks is to avoid such prolongation of monopoly rights in technical features.

The view reflected in Advocate Ruiz-Jarabo’s opinion boils down to the premise that if the designer has a choice between two or more configurations, the appearance of the product is not solely dictated by its technical function. It appears that this theory—known as the

multiplicity-of-forms theory – is followed by German and Spanish courts, and was followed by the French courts (see <http://roadmap2013.schoenherr.eu/functional-designs-and-trademarks/>). However, OHIM has not been so keen to follow suit.

The Board of Appeal has grappled with the issue of technical function in a number of its decisions. Often these cases have also been linked to the thorny issue of visibility of component parts.

In its decision of 22 October 2009 **R 690/2007-3 Chaff cutters** (*Lindner Recyclingtech GmbH/Franssons Verkstäder AB*), the parties did not deny that chaff cutters (see image infra left) were component parts of a paper shredder (see image infra right). The principal question to be resolved in this case was the visibility of the chaff cutters once assembled as well as whether they were playing solely a technical function.



In the Board's view it is not a requirement of Article 4(2)(a) CDR (obliging the component part to be visible during normal use of the complex product) that the component be clearly visible at each and every moment of use. It is enough to be able to see the whole of the component in such a way as to be able to apprehend its essential characteristics. The complex product into which the design is incorporated has to perform its function and be pleasing to the eye. However, the visual of internal parts of a machine is irrelevant and for this reason the legislature has prohibited protection of components of a complex product which are not visible in normal use. Thus, where aesthetic considerations are totally irrelevant - in the sense that whether the appearance of the product is good, bad, ugly or pretty is a matter of complete indifference and what counts is whether it works properly – there is nothing to protect in design law.

The Board went onto explain that although neither the Regulation nor the Directive explicitly prohibit the protection of designs that do not have any aesthetic characteristics, the absence of such a requirement may be explained by the difficulty of objectively assessing aesthetic merit. Article 7(1) of the Directive and Article 8 (1) CDR deny protection of certain designs not for lacking aesthetic merit but because aesthetic considerations have no role to play in their development; the only imperative being to design a product that carries out its function in the best possible way.

In the case at hand, the Board was of the opinion that all the essential characteristics of the design had been chosen with a view to obtaining the best possible technical performance. Thus, those characteristics were solely dictated by the technical function of the product. The contested design was accordingly invalidated on the basis of Article 25(1)(b) combined with Article 8(1) CDR.

This decision has attracted criticism. Aesthetic assessment criteria risk ‘opening the door to the kind of subjective aesthetic judgment which can so easily result in refusal of protection to deserving and novel designs’ (see <http://class-99.blogspot.com.es/2011/11/functional-designs-invalidity-division>). Others consider that because the Board decided that Article 8(1) CDR denies protection where ‘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’, many RCDs may have already overstepped the mark from the Board’s perspective (see <http://oami.europa.eu/ows/rw/pages/OHIM/OHIMPublications/newsletter/1110/RCD/rcd1.en.do>). More particularly, the Board’s decision requires an evaluation of the ‘considerations’ of the designer in developing the design. However, finding out what the designer had in mind at a given moment in time is not an easy task. Another difficulty lies in the fact that according to section 10 of the Preamble of the CDR, a design does not need to have an ‘aesthetic quality’.

In more recent decisions, while still refraining from adopting the multiplicity-of-forms theory, the Board has continued to refer to aesthetic considerations in looking at whether the design is composed of exclusively technically-driven features.

In its decision of 4 May 2012, **R 583/2011-3, Partie de poussette (roue)** (*CONECO SZYMOCHA WINIARSKI SPÓŁKA JAWNA/ DOREL FRANCE SA.*), the Board had to deal with a design for part of a child’s buggy (see image *infra*). The Board, noting that the design was part of a complex product and that when assembled it would be seen in conditions of normal use, considered that it was not performing solely a technical function. Even though the design met certain requirements of comfort and maneuverability, it was also the result of aesthetic considerations that were manifest in its ornamental elements (the form of the wheels, the visibility of the springs, the decoration on the wheel surfaces, etc).



Clearly, the assessment of whether a design performs solely technical functions has to be made on a case by case basis. If obviously ornamental features are present, the design is not only dictated by technical considerations. In any event, a design may have some technical features in it but still be validly on the register. It is only where the essential features of that design are functional that there is a real problem of registrability.

In any event, faced with a choice between the multiplicity-of-forms theory and the approach taken by the Board, the OHIM has opted in its Invalidity Manual not to look at alternative shapes, but rather to consider only the design at issue. Article 8 (1) CDR does not require that a given feature is the only means by which the product’s technical function can be achieved, but rather requires an evaluation of whether the technical function in question was the *only* or ‘sole’ relevant factor in the selection of that given feature. This does not overcome the criticisms levied against the Board’s approach but it is probably the most pragmatic way forward, especially where certain features are obviously not purely technical and there is no need to delve into the psyche of the designer.

On the other hand, the diverging practice at national level in this area is the cause of uncertainty for design holders. Different approaches could lead to different results in both invalidity and infringement proceedings and there is an obvious need for harmonization. The OHIM, as part of its Convergence Programme has started to look at this issue with national offices in order to try to bring some level of harmonization to practice in this field. However, to bring judges ‘on board’ a clear pronouncement on the matter from the CJEU or GCEU is highly desirable.

Conclusion

While the judgments handed down in Luxembourg continue to engage in a lengthy analysis of the identity of the informed user as well as his or her level of attention, the actual decisions fail to reflect the influence this may have on them. On the other hand, reciprocity has become firmly entrenched in EU case law and ‘crowded’ field has been opened up as another factor that may influence overall impression. More guidance on the interrelation of these concepts, if any, may well prove necessary. Outside of the EU judiciary, a precise understanding of just what technical function is and how far to take it in a design context, continues to be problematic. Steps towards a harmonized practice are underway but the final word will lie with the EU Courts in Luxembourg.

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¹ The opinions expressed in this paper are those of the author personally and do not necessarily reflect those of OHIM.