

**Opinion of the
European Copyright Society
in relation to the pending reference before the CJEU**
in Cofemel v G-Star, C-683/17

Introduction

The European Copyright Society (ECS) was founded in January 2012 with the aim of creating a platform for critical and independent scholarly thinking on European Copyright Law.¹ Its members are scholars and academics from various countries of the European Union, seeking to promote their views of the overall public interest. The Society is not funded, nor has been instructed, by any particular stakeholders.

This ECS opinion relates to a case pending before the Court of Justice of the European Union (CJEU). In essence, the question posed by the national court is whether Member States have freedom to choose the level of originality pertaining to works of applied art, industrial designs and works of design or whether they must apply the CJEU standard of “the author’s own intellectual creation” (AOIC) to such works.

The questions for preliminary ruling are as follows:

Cofemel v G-Star, C-683/17:

G-Star Raw CV

(Case C-638/17)

Language of the case: Portuguese

Referring court

Supremo Tribunal de Justiça

Parties to the main proceedings

Appellant: Cofemel — Sociedade de Vestuário SA

Respondent: G-Star Raw CV

Questions referred

- 1) Does the interpretation by the Court of Justice of the European Union of Article 2(a) of Directive 2001/29/EC¹ preclude national legislation — in the present case, the provision in Article 2(1)(i) of the Código de Direitos de Autor e Direitos Conexos (CDADC) — which confers copyright protection on works of applied art, industrial designs and works of design

¹ All opinions of the European Copyright Society are available on its website, <https://europeancopyrightsociety.org/how-the-ecs-works/ecs-opinions>

which, in addition to the utilitarian purpose they serve, create their own visual and distinctive effect from an aesthetic point of view, their originality being the fundamental criterion which governs the grant of protection in the area of copyright?

2) Does the interpretation by the Court of Justice of the European Union of Article 2(a) of Directive 2001/29/EC preclude national legislation — in the present case, the provision in Article 2(1)(i) of the CDADC — which confers copyright protection on works of applied art, industrial designs and works of design if, in the light of a particularly rigorous assessment of their artistic character, and taking account the dominant views in cultural and institutional circles, they qualify as an ‘artistic creation’ or ‘work of art’?

1. Background

1. This opinion employs the term “utilitarian article” throughout as a description of the subject-matter of potential copyright protection referred to by the national court in its questions as “works of applied art, industrial designs and works of design.” The concept of “utilitarian article” does not encompass software or databases.

2. In Portugal, as in some other Member States (such as Italy), a higher, stricter or different level of originality is applied to utilitarian articles. In the UK, the question is not whether a higher or different level of originality applies but whether the alleged work falls within a protected category (works of artistic craftsmanship) which requires additional conditions.. In *Infopaq* and in other Judgments that followed on this issue, the Court did not distinguish between different forms of work (literary work (*Infopaq*²), graphical user interfaces (*BSA*³), photographs (*Painer*⁴), football matches (*FAPL*⁵), computer programs (*SAS*⁶) and databases (*Football Dataco*⁷)). It is therefore arguable that, according to the CJEU’s case law, the same level and notion of originality applies to all copyright works. In *Flos*⁸, the CJEU even seems to have implied that the same level of originality also applies, by virtue of Directive 2001/29/EC (hereinafter InfoSoc Directive) to utilitarian articles which have not been registered for design protection under the Design Regulation or in national law under the Design Directive.⁹ In paras 35-39 of *Flos*, the CJEU appears to suggest that Member States may, by contrast, be able to choose the level of originality of utilitarian articles which are registered as designs, because this flexibility is left intact by the Design Directive. Nevertheless, this is far from clear. As a consequence, the Portuguese court has referred the questions to the CJEU in the present case.

² (Case C-5/08) *Infopaq International A/S v Danske Dagblades Forening* EU:C:2009:465.

³ (Case C-393/09) *Bezpečnostní softwarová asociace – Svaz softwarové ochrany v Ministerstvo kultury* EU:C:2010:816 (further referred to as *BSA*).

⁴ (Case C-145/10) *Eva-Maria Painer v. Standard Verlags GmbH* EU:C:2011:798 (further referred to as *Painer*).

⁵ Joined Cases C-403/08 and C-429/08, *Football Association Premier League v. QC Leisure and Karen Murphy v Media Protection Services* EU:C:2011:631 (further referred to as *FAPL*).

⁶ (C-406/10) *SAS Institute Inc v World Programming Ltd* EU:C:2012:259 (further referred to as *SAS Institute*).

⁷ (C-604/10) *Football Dataco Ltd v Yahoo! UK Ltd* EU:C:2012:115 (further referred to as *Football Dataco*).

⁸ Case C-168/09, *Flos SpA v. Semeraro Casa e Famiglia SpA*, EU:C:2011:29 para. 34: “However, it is conceivable that copyright protection for works which may be unregistered designs could arise under other directives concerning copyright, in particular Directive 2001/29, if the conditions for that directive’s application are met, a matter which falls to be determined by the national court.”

⁹ Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs; Directive 98/71/EC of the European Parliament and of the Council on the legal protection of designs

2. Proposed Answers to Referred Questions

In essence, the CJEU has three options to answer the questions posed by the Portuguese Supreme Court:

Option 1 – allow Member States to decide the appropriate level of originality in copyright law for both utilitarian articles which have been registered as designs and those which have not

3. Article 17 of the Design Directive states that: “A design protected by a design right registered in or in respect of a Member State in accordance with this Directive shall also be eligible for protection under the law of copyright of that State as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State.”

4. Article 17 thus clearly leaves it to the Member States to set the level of originality for utilitarian articles. Therefore, whatever the interpretation that is given to the *Flos* judgment on this point, the Court should state clearly that both registered and unregistered utilitarian articles should benefit from whatever level of protection Member States choose to apply to them. Otherwise, the text of the directive will not be respected and the will of the legislature will be thwarted.

5. Even if Article 17 of the Design Directive applies only to *registered* utilitarian articles (and not to unregistered articles), it would be very problematic if the Court were to apply different standards of originality to registered and unregistered utilitarian articles. This is an issue discussed under Option 2.

6. Reasons for adopting Option 1 are as follows:

- (i) At the time the EU design legislation was discussed, it was recognised that different Member States treated the interface between copyright and registered designs (and in the UK, unregistered design right) very differently (from those which accepted full cumulation to those which tried to keep the operation of the regimes distinct).
- (ii) Although the European Commission initially had greater ambitions, the European legislature decided only to deal with this issue by providing that registration of a utilitarian article as a design should not *ipso facto* render a work ineligible for copyright.
- (iii) The legislature specifically left other matters, such as the threshold of protection, to Member States (Art. 17 Design Directive).
- (iv) At no point subsequently has the EU legislature explicitly considered the design-copyright interface.
- (v) In principle, the appropriate relationship between copyright and registered designs is a question of *policy* that ought to be determined by a *legislature*. Important considerations are the goals of the registered design system (in defining property rights and giving notice) and the impact on those goals of automatic, lengthy, copyright protection.

Option 2 – allow Member States to set different levels of protection for registered and unregistered designs

7. As noted above, according to a certain interpretation of *Flos*, the AOIC standard might apply to unregistered utilitarian articles, while Member States remain free to choose the level of

originality to be applied to registered utilitarian articles. However, this interpretation could lead to uncertainty, arising as a result of the grace period of 12 months for the unregistered Community design right (UCDR). If it were confirmed, there might be uncertainty concerning the criterion of originality to be applied to a particular utilitarian article because it would not be known in advance whether the article in question would eventually be registered as a design or not. If a utilitarian article were not registered initially as a design but were later registered, its condition of protection would vary over time. This would be odd (as the utilitarian article would not change over time) and could lead, potentially, to legal uncertainty.

Option 3 – harmonise the level of originality for all works at the AOIC standard

8. If the CJEU does not wish to adopt Options 1 or 2, but instead prefers to apply *Infopaq* and its follow-on case law, including *Flos*, to utilitarian articles, it must guard against the potential overprotection of functional utilitarian articles which may arise as a result of this choice.

9. There are two main arguments for the adoption of the AOIC test, as developed by the CJEU in *Infopaq* and subsequent cases, as the test for utilitarian articles: (1) equality of treatment for authors of utilitarian articles and authors of other categories of works, and (2) avoidance of the disruption of the Internal Market which would arise as a result of the application of different protection regimes for utilitarian articles and other forms of work.

10. (1) Authors of utilitarian articles should not be discriminated against by comparison with authors of other categories of works. Authors of utilitarian articles may well make creative choices with regard to the lines, contours, colours, shape, texture and materials of a designed product or artefact and its ornamentation. Even though some of these choices may primarily serve functional purposes, an ambitious designer, in pursuit of aesthetic ideals, will strive for a certain appearance for her or his creations. Utilitarian articles serve as a means of communication between the designer and the public. The fact that many utilitarian articles, including, for example, furniture, fashion, and tableware, are displayed in museums all over the world provides evidence of their aesthetic merits. As is the case for other categories of work, like architecture or photography, utilitarian articles may reflect their author's personality even though they serve functional purposes, as emphasized by the CJEU in *Painer*, in the case of photographs.¹⁰

11. (2) Applying the AOIC test throughout the EU would prevent the disruptions of the Internal Market which have been caused by different protection regimes in the past. The facts of cases such as *Donner*¹¹ and *Cassina*¹² provide evidence of the problems which arise for cross-border trade in utilitarian articles when they are protected under the copyright law of certain EU member states but not under the law of other states which have adopted a higher threshold for protection (as is in the case of Portugal and Italy). For Member States which grant copyright protection to utilitarian articles in line with the uniform standard, it is difficult to provide authors with an effective level of protection as long as products may be shipped from other EU Member States without border control or customs clearance. As long as utilitarian articles are protected in some EU Member States, but not in others, there will be no harmonized Internal Market for such products. Therefore, regardless of the exact criteria applied to the protection of utilitarian articles under copyright law, it would be desirable if the Court were to develop a coherent scheme of protection applicable throughout the Internal Market.

¹⁰ Paras. 88, 89.

¹¹ Case C-5/11, *Re: Donner* ECLI:EU:C:2012:370.

¹² Case C-456/06, *Peek & Cloppenburg v Cassina* EU:C:2008:232.

12. Such a course of action would not exceed the responsibility of the CJEU as a court. By comparison with the time when Art. 17 of the Design Directive was adopted, such a development of the CJEU's case law would not, in today's conditions, be dramatic. Even though the EU legislator has still not fully harmonized the subject matter of copyright law or the requirements for protection, the CJEU has developed settled case law on the AOIC test and applied the doctrine to different categories of works. As a consequence, it is no longer the case that the protection of utilitarian articles has to be established 'in the absence of harmonisation of copyright law', as emphasised by Recital 8 of the Design Directive. Rather, the CJEU has in the meantime harmonized the requirements of copyright protection to a large extent.

13. However, if the CJEU decides that the harmonised originality standard applies to all works, as outlined here, it must ensure that functional utilitarian articles are not monopolised as a consequence. In this regard:

[1] It is important to emphasise that the Court has already interpreted the originality concept in a manner which mitigates the risk of over-protection. Thus, for example, an author's work will only be protected where there is scope for creative freedom in its production (*Football Association Premier League*¹³). Creative freedom requires the making of "free and creative choices" (*Painer*¹⁴, *Football Dataco*¹⁵). Copyright will not therefore subsist where the expression of a work is dictated by technical function as, in such cases, the idea and expression of the work are indissociable (*BSA*¹⁶). In the case of computer programs, the Court has held that copyright will not protect the functionality of a program (*SAS Institute*¹⁷). It is to be assumed that this principle will also apply in the case of other forms of work. It has also been established that the application of labour and skill, without the exercise of creative freedom, in the making of a utilitarian article is insufficient to demonstrate the originality required for copyright protection (*Football Dataco*¹⁸).

14. [2] Thus, if the Court is minded to apply the AOIC standard to all works, it should do so in a manner that ensures that the principles already stated in its case law (idea/expression dichotomy, merger doctrine, technical constraints aspects linked to the requirement of free and creative choices and personal touch) are clearly applied to utilitarian articles. However, because utilitarian articles are also functional and because copyright protection confers a very long monopoly, other criteria should also be applicable.

Where they meet the requisite conditions, utilitarian articles will be protected automatically as UCDRs. They may also often be protected by registered designs rights (at EU or national level). As a consequence, the criteria which prevent the coming into effect of undesirable monopolies in design law should also apply in copyright law. Recently, in the *Nintendo v Big Ben* case¹⁹, somewhat controversially, the Court employed notions deriving from trade mark law to resolve a question of design law (paras 79-80). In the *Cofemel* case, the Court would be justified in applying notions from design law since the subject-matter (utilitarian articles) may be covered by both copyright and design law frameworks at EU level. The application of such doctrines would not only avoid monopolies on technical solutions (which should be left to patent law), but would also ensure convergence between the fields of copyright and design law.

¹³ *FAPL*, paras. [97]-[98]

¹⁴ *Painer*, paras. [85]-[89]

¹⁵ *Football Dataco*, paras. [37]-[38]

¹⁶ *BSA*, paras. [48]-[50]

¹⁷ *SAS Institute*, paras. [39]-[46]

¹⁸ *Football Dataco*, paras. [42]

¹⁹ Joined Cases C-24/16 and C-25/16, *Nintendo Co. Ltd. v. Big Ben Interactive GmbH and Big Ben Interactive SA*, EU:C:2017:724.

15. In line with this approach, copyright should not protect a utilitarian article if it is solely dictated by function (Art 7(1), Design Directive and *Doceram*²⁰) or interconnection features (Art 7(2), Design Directive). Arguably, these exclusions are already embodied in the case law of the Court on the originality requirement. However, if there is any doubt on this issue, it should be emphasised that these design law doctrines must be fully followed under the copyright regime and, indeed, ought to be interpreted particularly strictly because the scope of the rights granted under copyright law is much broader than that of the rights granted under design law. Arguably, the visibility requirement for complex products should also be followed. At the level of exceptions, the EU copyright framework includes a repair exception in Art 5(3)(l) of the Information Society Directive. However it is optional, whereas the repair exception in the EU design framework is mandatory, either for some spare parts (Art 7, Design Directive) or for all (Arts 8 and 110, Design Regulation).²¹ If the Court chooses Option 3, to avoid copyright monopolies on spare parts, it should align these exceptions in the copyright and design framework. In fact, the recent Legal Review on Industrial Design Protection in Europe recommends that copyright exceptions should exist for spare parts and be aligned with the design regime.²²

16. [3] It is arguable that an analogous principle to that set out in Art 5(2) of the Design Directive (“In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration”) should also be applied. The Court should thus emphasise that, before recognizing that copyright applies to a particular shape, a strict analysis of the room available to the designer should be undertaken. This would be in line with *Painer* and other decisions on copyright originality, which require that some freedom of creation exists. The requirement to check whether free choices have been made and whether some freedom remains is even more important in the case of utilitarian articles. Other criteria applied by the Court to restrict copyright protection should also apply.

17. While Option 3 may have the advantages noted above at paragraphs 10-12 of this Opinion, it might also entail some relevant costs. First, it may turn out that, once a utilitarian article has met the access requirements under the AOIC criterion, it may be difficult to restrict protection to non-functional and non-technical features at the infringement stage. If this occurs, there is a serious risk that copyright protection will serve as a back-door route to protection for entities which no longer qualify for registered design protection.²³ The incentive to apply for registered design protection might also be called in question. Why should a right holder face all the troubles and bear the costs of the design registration process when it can automatically obtain copyright protection? It is true that registration as a design may still provide some advantages, as it solves evidentiary problems and gives proof of ownership. However, it would be unfortunate if the overall incentive to registration is reduced, as the registration system provides a notice effect by informing third parties of the existence and perimeter of protection. The copyright system does not have such an effect. It is therefore submitted that Option 3 is acceptable only to the extent it ensures that the tools intended to avoid the protection of functional features will truly be effective.

²⁰ Case C-395/16, *Doceram v CeramTec*, EU:C:2018:172.

²¹ The law concerning some spare parts has been left unharmonized by the Design Directive, see recital 19.

²² DG Growth, ‘Legal Review on Industrial Design Protection in Europe’, published on 06/06/2016, Final report, MARKT2014/083/D; available at http://ec.europa.eu/growth/content/legal-review-industrial-design-protection/europe-0_en, at p. 140.

²³ For an account of what happened in the UK in similar circumstances, see L. Bently, ‘The Return of Industrial Copyright’ [2012] EIPR 654-672.

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