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## European Functionality Doctrine: Functionality in design law

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## Overview

- I. Legal background
- II. Principle theories
- III. Functionality within the assessment of the validity of the community design
- IV. Functionality within the assessment of the scope of protection of the community design
- V. Parallels with trademark law
- VI. Open questions



## I. Legal background

### PUE 5. quinquies

- Industrial designs shall be protected in all the countries of the Union.

### TRIPS 25 (1)

- Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. **Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.**

### CDR Recital 10

- 1st sentence: **Technological innovation should not be hampered** by granting design protection to features dictated solely by a **technical function**.
- 2nd sentence: It is understood that this does not entail that a design must have an **aesthetic quality**.



## I. Legal background

### CDR Recital 10

- 4th sentence: Consequently, those **features** of a design which are **excluded** from protection for those reasons **should not be taken into consideration** for the purpose of assessing whether other features of the design fulfil the **requirements for protection**

### CRD 8 (1)

- ***A Community design shall not subsist in features of appearance of a product which are solely dictated by its technical function.***

### CDR 6

- A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public: ...
- In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.



## II. Principe theories

### **mandatory approach aka *mulitplicity of forms test***

- followers:
  - DE: 14cO 64/11 *Apple Inc v Jay-tech GmbH* (Landgericht Düsseldorf, 12.05.2011)
  - FR: 2006R00065 *Procter and Gamble Company v SAS Reckitt Benckiser France* (Tribunal de Commerce D'Evry 05.04.2006)
  - UK: *Landor & Hawa International v Azure Design Ltd* (2006) ECDR 31.

### **causative approach aka *no aesthetic consideration test***

- followers :
  - UK: *Amp v Utilux* [1971] FR572
  - NL: 2000.022.658/01 *Hansgrohe AG v Tiger Netherland BV* (Gerechtshof te's Gravenhage, 30.11.2010)
  - OHIM: R 690/2007-3 *Lindner Recyclingtech GmbH v Franssons Verstäder AB*, (Board of Appeal, 22.11.2009) – **Chaff cutter**



## II. Principe theories

### **Mandatory approach aka *multiplicity of forms test***

- A criticism is that it would apply only in a few, if any, circumstances, so that the scope of the exclusion would be reduced almost to vanishing point > lenient rules
- Problems arise where the alternatives are impractical or less advantageous—if a design monopolizes the optimum shape for a given function, there is inevitably a cost to competitors in avoiding it.
- + Some are attracted to the notion that exclusions have to be ‘given teeth’ by broad interpretation, but exclusions are sometimes included for declaratory or normative purposes.
- + objective test
- + The European functionality exclusion was indeed intended to apply only in ‘those extremely rare cases where **form follows function**’ (Memorandum accompanying amended Draft Directive)

TEST > question of **ALTERNATIVES**



## II. Principe theories

### **Mandatory approach aka *mulitplicity of forms test***

Advocate General Ruiz- Jarabo - Philips v Remington (Case C-299/99, [2002] ECR I-5475 [34]).

*The wording used in the Designs Directive for expressing that ground for refusal does not entirely coincide with that used in the Trade Marks Directive. That discrepancy is not capricious. Whereas the former refuses to recognise external features 'which are solely dictated by its technical function', the latter excludes from its protection 'signs which consist exclusively of the shape of goods which is necessary to obtain a technical result'. In other words, 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.***



## II. Principe theories

### **Causative approach -aka *no aesthetic consideration test***

- It is not transparent—the designer’s motivation is private
    - Cross-examination of the designer is not always available
    - Designers may unintentionally create something attractive to a consumer, which should be protected;
    - Even the best or only possible shape could be protected where there was some intention to create a striking appearance (whereas it would be rejected by the multiplicity of forms test).
  - Subjective test: Lord Pearson in *Amp* held that the words “dictated solely by function” meant “attributable to or caused by function”,
- + more strict test since design alternatives do not matter > more designs may be cancelled

TEST > question of **DESIGNER MOTIVATION**



I. III. Functionality within the assessment of the validity of the community design

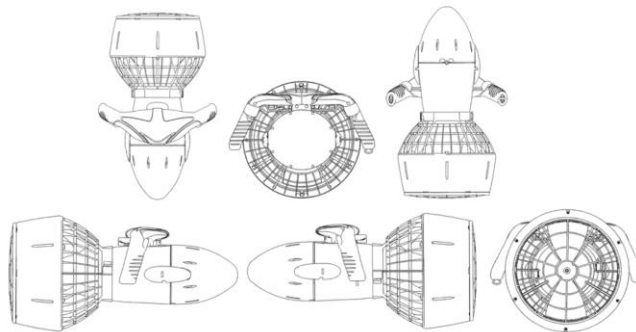
**1. CRD 8 (1) – general exclusion clause**

### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

#### EARLY OHIM Invalidity Division practice – ALTERNATIVES WERE TAKEN INTO ACCOUNT

- ICD 867 *Ampel24 Vertriebs- GmbH & Co KG v Daka Research Inc.* – ID 01.12.2005



*The CD does not subsist in features of appearance solely dictated by the technical function of the underwater motive device. **The device would still fulfill its function with a body of different shape.***

### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

#### OHIM Board of Appeal practice – NEW APPROACH

R 690/2007-3 *Lindner Recyclingtech GmbH v Franssons Verstäder AB*, (Board of Appeal, 22.11.2009) – **Chaff cutter** [32]



*Article 8(1) CDR denies protection to features of a product's appearance that are '**solely dictated by its technical function**'. These words do not, as such, imply that the feature in question must be the only means by which the product's technical function can be achieved. On the contrary, **they imply that the need to achieve the product's technical function was the only relevant factor when the feature in question was selected***



### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

#### OHIM Board of Appeal practice – NEW APPROACH

R 690/2007-3 *Lindner Recyclingtech GmbH v Franssons Verstäder AB*, (Board of Appeal, 22.11.2009) – **Chaff cutter** [36]

*It follows from the above that Article 8(1) CDR denies protection to those features of a product's appearance that were chosen exclusively for the purpose of designing a product that performs its function, as opposed to features that were chosen, at least to some degree, for the purpose of enhancing the product's visual appearance. It goes without saying that these matters must be **assessed objectively**: it is not necessary to determine what actually went on in the designer's mind when the design was being developed. The matter **must be assessed from the standpoint 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.***



### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

##### OHIM Board of Appeal practice – NEW APPROACH

R 690/2007-3 *Lindner Recyclingtech GmbH v Franssons Verstäder AB*, (Board of Appeal, 22.11.2009) – **Chaff cutter** [37]

*The fact that a particular feature of a product's appearance is denied protection by Article 8(1) CDR does not mean that the whole design must be declared invalid, pursuant to Article 25(1)(b) CDR, on the ground that it does not 'fulfil [one of] the requirements of Articles 4 to 9'. The last sentence of the 10th recital in the preamble to the Regulation makes it clear that the design as a whole may be valid even though certain features of the design are denied protection. The design as a whole will be invalid only if **all the essential features of the appearance of the product** in question were solely dictated by its technical function.*



### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

#### OHIM Board of Appeal practice – NEW APPROACH

R 690/2007-3 *Lindner Recyclingtech GmbH v Franssons Verstäder AB*, (Board of Appeal, 22.11.2009) – **Chaff cutter** [42]

*Article 8(1) CDR denies 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*

### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

#### OHIM Board of Appeal practice – reference to patent documentation

R 211/2008-3 *Nordson Corporation v UES AG*, (Board of Appeal, 29.04.2010) – **FLUID DISTRIBUTION EQUIPMENT** [41]

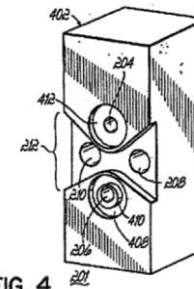
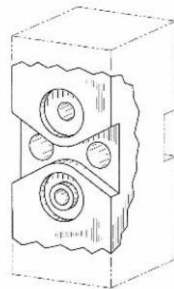


FIG. 4

*It is abundantly clear from the above extracts that the only consideration that can possibly have gone through the mind of the designer of the module shown in paragraph 1 was the need to design a product that would perform a technical function. Every detail of the design has been chosen with a view to enhancing the technical performance of the ‘intake portion of a liquid dispensing valve’. All the essential features of the design have been chosen solely with technical considerations in mind.*

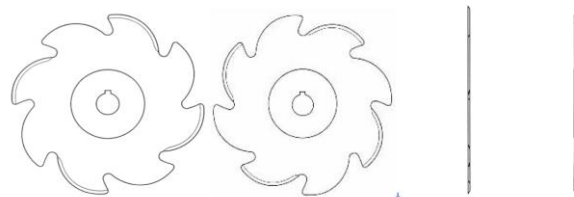


### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

#### OHIM Board of Appeal practice – reference to Philips Remington case

R 2466/2011-3 *CHEMRING COUNTERMEASURES LIMITED v Wallop Defence Systems Limited*, (Board of Appeal, 10.06.2013) – **BLADES** [15]



Similarly, as far as concerns trade marks, the Court has found that a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the **essential functional features of that shape are attributable only to the technical result**. Moreover, the ground for refusal or invalidity of registration imposed by that provision **cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained** (see judgment of 18 June 2002, C-299/99, ‘Remington’, para. 84).

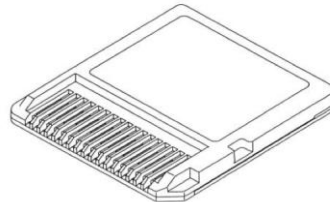


### III. Functionality within the assessment of the validity of the community design

#### 1. CRD 8 (1) – general exclusion clause

**OHIM Board of Appeal practice – reasonable observer does not care**

R 1772/2012-3 *Nintendo Co., Ltd. V Compatinet S.L.U. et al*, (Board of Appeal, 14.04.2014)  
– **Game cartridges** [36]



The **reasonable observer** does not care whether the product which he/she will not actually even see before having purchased the product and opened it, and he/she will also not see (except for one edge) once the cartridge is put to use inside the game console, **looks good, bad, ugly or pretty**. All that matters is the content of the cartridge (the game itself) and that the product functions well with the game console.



### III. Functionality within the assessment of the validity of the community design

#### **2. CDR 6 (2) – special exclusion clause**

**What influences the freedom of designer ?**

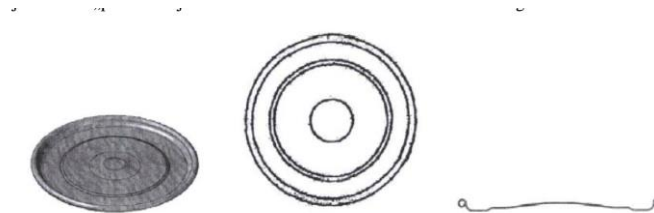


### III. Functionality within the assessment of the validity of the community design

#### **2. CDR 6 (2) – special exclusion clause**

##### **Generak Court practice - freedom of designer**

*T-9/07 PepsiCo, Inc. v Grupo Promer Mon Graphic, SA* (GC 20.10.2011) [67]



it must be noted that the designer's degree of freedom in developing his design is established, inter alia, by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product.

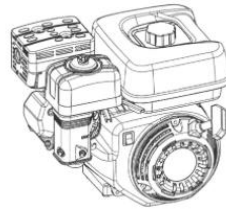


### III. Functionality within the assessment of the validity of the community design

#### 2. CDR 6 (2) – special exclusion clause

##### Generak Court practice - freedom of designer

T-11/08 Kwang Yang Motor Co., Ltd v Honda Giken Kogyo Kabushiki Kaisha (GC 09.09.2011)  
[33]



*the **greater** the designer's freedom in developing the challenged design, the **less likely** it is that **minor differences** between the designs at issue **will be sufficient** to produce a different overall impression on an informed user. Conversely, the more the designer's freedom in developing the challenged design is **restricted**, the **more likely minor differences** between the designs at issue **will be sufficient** to produce a different overall impression on an informed user.*



### III. Functionality within the assessment of the validity of the community design

#### 2. CDR 6 (2) – special exclusion clause

##### LATE OHIM Invalidity Division practice – freedom of designer

- ICD 8225 *ASSTECH Assembly Technology GmbH Co KG v Thomas Nagel*. ( ID 07.09.2011) [17]



*The necessity arising from the technical function of a product to provide a particular functional element does not exclude said element from design protection. **Provided that the designer has certain creative freedom in developing the specific appearance of the functional element**, this specific appearance is not exclusively determined by technical function.*



### III. Functionality within the assessment of the validity of the community design

#### 3. CDR 6 (1) – special exclusion clause

**What does the informed user take into account while assessing overall impression?**

CDR Recital 10 4th sentence: Consequently, those features of a design which are excluded from protection for those reasons **should not be taken into consideration** for the purpose of assessing whether other features of the design fulfil the **requirements for protection**.



### III. Functionality within the assessment of the validity of the community design

#### 3. CDR 6 (1) – special exclusion clause

##### Late OHIM Invalidity Division practice – informed user

- ICD 40 *José Mallent Castelló v. 3M Innovative Properties Co.*, OHIM, (Third Board of Appeal, 14.06.2004) [19].



*“the **informed user** focuses his attention to the features not necessarily implied by this function.”*

### III. Functionality within the assessment of the validity of the community design

#### 3. CDR 6 (1) – special exclusion clause

##### Late OHIM Invalidity Division practice – informed user

- ICD 8242 *Nokia Corporation v Kalwat Iwona Trak Electronics* (ID 28.10.2011) [20]



*The **informed user** is familiar with the basic features of the products to which the contested RCD relates, namely telephones. The basic shape and features of a telephone are defined by its functionality, namely a control keypad to dial numbers, write messages or scroll the phone menu as well as a screen that enables to see, a headphone to hear and a microphone to enhance speech and conversation.*



## IV. Functionality within the assessment of the scope of protection of the community design

### **CDR 10 – SCOPE OF PROTECTION**

- (1) The scope of the protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression.
- (2) In assessing the scope of protection, the degree of freedom of the designer in developing his design shall be taken into consideration.
- PRINCIPLE OF RECIPROCITY



## V. Parallels with trademark law

- Reference to Philips Remington **para 84**. which interpret Article 3 para 1 point e lit II. of Trademark Directive:  
**„ the shape of goods which is necessary to obtain a technical result,,**

*In the light of those considerations, the answer to the fourth question must be that Article 3(1)(e), second indent, of the Directive must be interpreted to mean that a **sign consisting exclusively of the shape of a product** is unregistrable by virtue thereof if it is established that the **essential functional features** of that shape are attributable only to the technical result. Moreover, the ground for refusal or invalidity of registration imposed by that **provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained.***

- Reference to **C-48/09 P**, ‘Lego Juris v OHIM’ 14.09.2010 para. **85**:

*The technical functionality of the characteristics of a shape may be assessed, inter alia, by taking account of the documents relating to previous patents describing the functional elements of the shape concerned.*



## V. Parallels with trademark law

### **Advocate General Ruiz- Jarabo - Philips v Remington (Case C-299/99, [2002] ECR I-5475**

**Para. 35.** *The Trade Marks Directive excludes all shapes necessary (in the sense of ideally suited) to achieve a technical result. That is to say, in so far as the essential features of a shape are necessary in order to fulfil a function, trade mark protection must not be granted without investigating whether that function could also be achieved by other features.*

**Para. 36.** *It is logical that the bar for assessing whether a ground for excluding a functional form applies is set higher for designs than for trade marks: the nature and scope of their protection are completely different from one another.*



## V. Parallels with trademark law

### **Advocate General Ruiz- Jarabo - Philips v Remington (Case C-299/99, [2002] ECR I-5475**

**Para. 37.** *First, a trade mark seeks to protect the identity of the origin of the goods and, therefore, indirectly, the goodwill which the goods attract, whereas designs - like patents - seek to protect the goods, in their own right, as an economic factor: their substantial value (in the case of designs) or the value which derives from their technical performance (in the case of patents). In that sense, it is entirely logical that the legislature is less concerned by the strict delimitation between designs and patents than by that which ought to exist between the latter and trade marks. Moreover, this makes it easier to give protection to designs that combine functional and aesthetic features.*

**Para. 38.** *Secondly, whereas trade marks enjoy protection unlimited in time, rights in designs - like rights in patents - are limited in time. From that viewpoint, too, it is appropriate to use a stricter test for excluding functional or ornamental shapes from registration as trade marks than that to be used in separating designs from patents.*



## VI. Open questions

- Questions of alternatives?
- Who is the ordinary observer?
- Subjective or objective test?
- Is it question of fact or question of law?
- Can a design be looked at feature by features (**elemental approach**) or the overall impression counts in cases when not all essential elements are solely dictated by function (**holistic approach**) ?

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Thank you for the attention!

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