

The technical function exclusion in design law and the *DOCERAM/CeramTec*-decision of the CJEU (C-395/16)

1. The *DOCERAM/CeramTec*-case is the first case dealing with the meaning of the "technical function" exclusion in relation to Community designs. The CJEU's judgment provides an interpretation of Article 8(1) of Council Regulation (EC) No. 6/2002 on Community designs (the "Regulation") – and hence, indirectly, also of Article 7(1) of Directive 98/71/EC on the legal protection of designs – which provides that "*a design right shall not subsist in features of appearance of a product which are solely dictated by its technical function*". Such features are excluded from the scope of protection of a design and, pursuant to Article 25(1)(b) of the Regulation, a design consisting solely of such features can be declared invalid. This important judgment answers the following questions: in assessing whether features of a product's appearance are dictated solely by the product's technical function, is the existence of alternative designs with the same technical function decisive? And in making such an assessment, should the finding be based on the perception of an objective observer, or on that of someone else or on some other criterion?
2. The issue is a tricky one because design rights very often involve objects whose technical/functional characteristics are, at least in part, dictated by the use for which the relevant object is intended. A shaver, for example, must fulfil certain functions and the same applies in the case of a lawnmower. The new visual appearance of such an object can be protected by design rights, but this must not result in a monopoly of technical solutions. This is the background to the "technical function" exclusion, which in this case was applied by the Landgericht Düsseldorf (Düsseldorf Regional Court). The Landgericht decided that the Community designs registered by DOCERAM for weld centring pins were invalid. On appeal, the Oberlandesgericht Düsseldorf (Düsseldorf Higher Regional Court) referred the above two questions to the CJEU for a preliminary ruling.
3. The CJEU's decision on the first of the questions set out in 1 above pertains to an issue that is also a well-known subject of controversy in legal literature and case law. For example in The Netherlands, there are two opposing doctrines which, following the nomenclature used by A. Quaedvlieg in his dissertation on the relation between copyright and technology *Auteursrecht op Techniek* (Nijmegen, 1987), are referred to as the result-oriented doctrine (*resultaatgerichte leer*), also known as multiplicity-of-forms theory, and the device-oriented doctrine (*apparaatgerichte leer*), which is also known as the causality theory. Under the result-oriented doctrine, the "technical function" exclusion does not apply if the same result can also be obtained using another configuration. Under the device-oriented doctrine, the exclusion immediately applies if the product is determined solely by its technical function, irrespective of the possible existence of design alternatives. In this case the CJEU, like the Advocate-General Saugmandsgaard Øe, has clearly opted for the device-oriented doctrine. It was with much anticipation that the CJEU's decision on whether it would follow this route was awaited. Although it is true that the CJEU had chosen to apply the device-oriented doctrine in interpreting the "technical function" exclusion (which, incidentally, is formulated differently) in relation to trademarks – see in particular the *Philips/Remington* judgment (C-299/99), Advocate-General Ruiz-Jarabo Colomer had stated *obiter dictum* in his opinion in that case (pars. 36-38) that there should be a less severe criterion in the case of designs. In the case at hand, however, the CJEU has concluded that from the wording, context and aim of the provision, it follows that the existence of alternative designs does not preclude the application

of the exclusion.

4. The CJEU is clearly of the opinion that the Regulation's wording does not indicate that the existence of alternative designs is the only factor (par. 22). As regards the context, the CJEU points out that a design pertains to the appearance of a product; the product's appearance is the decisive element of a design (par. 24) and it is not necessary for it to have an aesthetic aspect (par. 23). According to the CJEU, as stated in paragraph 26, this confirms that protection is excluded if "*the need to fulfil a technical function of the product concerned*" is the sole factor based on which the designer chose a particular feature of appearance and if "*considerations of another nature, in particular those related to its visual aspect*" have not played a role in that choice. There is something worth pointing out here, namely that, because of the use of the words "*in particular*", a role can apparently also be played by considerations other than those relating to the visual aspect. What could the CJEU be referring to here? It is possible that what is meant are designs in which it is not the visual aspect that is important but for example the product's texture, which, as can be seen from Article 3 of the Regulation, is included in the definition of "design". In any case, as long as it is clear that not solely the technical necessity of a design (or one of its features) was the decisive factor in choosing the appearance of it, the "technical function" exclusion does not apply and the design is protected.
5. Having addressed the wording and the context, the CJEU lastly turns to the aims of the Regulation to justify its conclusion that in assessing whether external features of a product's appearance are dictated solely by the product's technical function, it should be examined whether the technical function is the sole factor which determined those features and that the existence of alternative designs is not decisive in that regard. The aim of Article 8(1), according to the CJEU, follows from recital 10 of the Regulation, which states that technological innovation should not be hampered (pars. 29-30). If the "technical function" exclusion were to be rendered inapplicable solely by the existence of alternative designs fulfilling the same function, an economic operator could claim all these different designs, which would seriously hamper technological innovation as competitors would be unable to offer a product with certain functional features and there would be fewer possible technical solutions available. In fact, in the case at hand, the design right proprietor had registered 17 variants of a weld centring pin as Community designs. As we are about to see (in 9. below), the existence of alternative designs is not without any relevance because the CJEU ruled that it can be one of the factors taken into account in assessing whether external features of a product's appearance are dictated solely by the product's technical function.
6. Thus far, I agree with the CJEU's decision. There can be no design protection when the product's external features have been chosen solely by their technical function: the features must have been chosen also on the basis of non-technical considerations, without an aesthetic quality being required.
7. The second question the CJEU had to answer is whether the basis for assessing whether features of appearance are dictated exclusively by the product's technical function should be the perception of an "objective observer". This hypothetical person has been used as the point of reference in decisions by the European Union Intellectual Property Office on applications for the invalidation of Community designs. As the Advocate-General correctly observed (par. 59 of his opinion), if the Regulation's authors had wanted to adopt an "objective observer" as the criterion they would have expressly said so, as they did regarding the determination of the overall impression produced by a design compared to earlier designs, where the criterion "informed user" is expressly mentioned (see Arts. 6 and 10 Regulation). The CJEU has

followed the Advocate-General on this point and decided that the perception of an objective observer is not the appropriate basis for assessment, but that all the objective circumstances relevant to the specific case at hand must be taken into account (par. 36). However, the only reason given for this is the Regulation's objective of creating a Community design directly applicable and protected in all the EU member states. Although I can certainly agree with the choice of the "all relevant objective circumstances" test, I do not find the justification very convincing.

8. So what kind of circumstances should be taken into account? The CJEU mentions – non-exhaustively and largely following the Advocate-General: first of all, the design in question (which is pretty obvious, I would say) and, secondly, the objective circumstances that indicate why the relevant product's features of appearance were chosen. With regard to the latter the CJEU does not use the same wording as the Advocate-General, who refers to the designer's subjective intention. It seems that the CJEU wanted to avoid any form of subjectivity by referring to objective circumstances showing the background of the features chosen. Hence, a statement by the designer about his/her intentions will generally carry little weight.
9. In addition, the CJEU mentions information on the use of the product or the existence of alternative designs which fulfil the same technical function. It seems logical that the use of the product should play a role; after all, this gives a good idea of the product's functionality and can help in answering the question as to whether there are any technically determined properties. Take, for example, the round shallow dimples in a golf ball: their shape and distribution influence the ball's aerodynamic drag. In the case of a lighter shaped like a golf ball, however, this technical aspect is completely irrelevant. With regard to the second type of information, this I find to be a somewhat thornier issue. Although the existence of alternatives (see above under the discussion of the first question referred to the CJEU) can never be the sole factor for determining whether a feature is dictated solely by the product's technical function, it can apparently be one of the factors in that determination. But the question is: how? Precisely because the CJEU places such strong emphasis on the Regulation's aim of avoiding a monopoly of technical solutions, I would think that it is necessary to be cautious about nevertheless factoring in the existence of alternative designs when assessing whether a product's features are dictated solely by its technical function.
10. All in all I consider the judgment in *DOCERAM/Ceramtec* to be correct, albeit subject to the questions I raised above, which will undoubtedly give rise to yet more new judgments.

Charles Gielen
October 2018