Designs and Copyright
Review of the Year 2019

Bristows
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Introduction
Once again, the Court of Justice of the European Union has had a busy year with copyright cases. Last year it was all about the communication to the public right, but this year saw a series of cases which dealt with the often difficult balance between protecting right holders’ creations and fundamental freedoms such as freedom of information and expression and the freedom of the press. However, the most significant case was undoubtedly the CJEU’s decision in Cofemel in which the court declared that originality is the only criteria in order for copyright to subsist. This could have a very dramatic effect on UK copyright and design laws, under which most three dimensional works are only protected by design rights unless they possess additional criteria such as artistic appeal and craftsmanship. Last year we commented on the surprising lack of database cases given the increasing importance of protecting and exploiting data, but this year we have reported on two database right cases.

The most significant development in design law has been the focus on the controversial issue of whether unregistered Community design right only subsists for designs which are first marketed in the EU, which would leave no unregistered protection for the vast majority of American designs, for example, which are first launched in the US. The issue has now been referred to the CJEU for determination.

Copyright

Cofemel v G-Star Raw (C-683/17)

In the highly anticipated decision of the Court of Justice of the European Union (“CJEU”) in Cofemel on 12 September 2019, the CJEU confirmed that the only requirement for a design to qualify for copyright protection in the EU is originality. The Court’s judgment on the interpretation of the reproduction right under Article 2(a) of Directive 2001/29 EC (the “InfoSoc Directive”) will be welcomed by designers across the EU and may well require amendments to be made to the national copyright laws of certain EU Member States, including in particular the UK.

Background

In 2013, clothing company G-Star accused fashion label Cofemel of infringing their copyright in respect of several items of clothing. In particular, G-Star argued that their designs were original intellectual creations and therefore “works” entitled to copyright protection. Cofemel argued the opposite; that the items of clothing did not qualify as “works” and should therefore not be protected.

The Portuguese Court of First Instance agreed with G-Star and ordered Cofemel to stop infringing G-Star’s copyright and to pay an account of profits. The Court of Appeal confirmed this. The case made its way to the Portuguese Supreme Court which considered that the clothing in question was the result of innovative concepts and manufacturing processes containing a number of specific elements and that Cofemel used some of these in the manufacture of their clothing. However, the Supreme Court decided that Portuguese law does not specify the degree of originality that is required for these types of works to qualify for protection. Therefore, they made a referral to the CJEU for a preliminary ruling on the interpretation of Article 2(a) of the InfoSoc Directive, asking whether EU law precludes national laws from giving copyright protection to design works which generate a significant aesthetic effect on the basis of any other criteria apart from originality.

The InfoSoc Directive

Article 2(a) of the InfoSoc Directive contains the reproduction right. It sets out that Member States shall provide authors with the exclusive right to authorise or prohibit reproductions of their works by any means and in any form. However, the Directive does not define the concept of “work”, so the CJEU decision focuses on this.

The decision

The concept of a “work” has been discussed in a number of previous CJEU decisions and is now considered to be settled. As was set out in Infopaq (C-5/08), it is an autonomous notion in EU law which requires uniform interpretation.

Infopaq also removed the possibility of different standards of copyright protection for different categories of work; if a work falls within the scope of the InfoSoc Directive, it is only required to be the “author’s own intellectual creation”, which is something for the national courts to ascertain.

The CJEU’s earlier decision in Flos (C-168/09) held that EU law did not permit Member States to deny copyright protection to designs which met the criteria for such protection. It also went on to suggest that it was not possible for Member States to set further requirements outside those in the EU legislation for how such copyright protection could be secured.

In its decision in Cofemel, the CJEU has confirmed that there are two cumulative requirements essential to qualify as a work:

1. Existence of an original object and expression of intellectual creation

The work in question must represent and express “an intellectual creation” of its author. This will be the case where an author has free and creative choices but not where the making of an object has been determined by
technical considerations, rules or other constraints, which do not leave room for any creative freedom.

2. The subject matter must be identifiable with sufficient precision and objectivity

Being able to identify the subject matter of the work should contain no element of subjectivity. The work should be expressed in a manner which makes it clearly identifiable, even though its expression does not necessarily have to be in permanent form (as previously noted by the CJEU in the recent case of Levola Hengelo (C-310/17)). If a design falls within the scope of the InfoSoc Directive, then the only requirement for copyright protection is that the design is a “work”.

Once a design has fulfilled the two originality requirements above, copyright protection arises automatically. National laws which make copyright protection dependent on artistic value or have an artistic intention requirement are not acceptable and therefore Article 2(a) of the InfoSoc Directive must be interpreted as precluding national law from basing copyright protection on such criteria.

The implications

This judgment potentially opens a can of worms for UK copyright. Under the current Copyright, Designs and Patents Act 1988, (“CDPA”), certain types of copyright work have other requirements in addition to originality in order to acquire copyright protection. The UK’s category of “artistic work” will have to be re-assessed, although the change is likely to be welcomed by designers as it appears to lower the bar for the qualification of copyright protection.

In section 4 of the CDPA, an “artistic work” means “a graphic work, photograph, sculpture or collage, irrespective of artistic quality”, as well as works of architecture and works of artistic craftsmanship. However, the UK Courts have not always interpreted this provision broadly. In Lucasfilm1, the Supreme Court upheld the trial judge’s decision that the appearance of the Stormtrooper helmet made famous by the Star Wars films did not attract copyright protection as a “sculpture” because it had a primarily functional purpose rather than an artistic one. The Supreme Court appeared to approve of Laddie J’s definition of sculpture in Metix (UK) Ltd v G H Maughan (Plastics) Ltd [1997] FSR 718 as being “a three dimensional work made by an artist’s hand”. Similarly, following a series of judgments from the UK and other Commonwealth country courts, a “work of artistic craftsmanship” (such as certain items of furniture or jewellery) requires elements of craftsmanship and artistic appeal before it will be found to attract copyright protection.

It appears that these decisions are now incompatible with the CJEU decision in Cofemel as they seek to impose additional criteria in order for a work to be protected by copyright as a sculpture or a work of artistic craftsmanship beyond simply the expression of the author’s own intellectual creation.

With the judgment considered to be binding on UK Courts, it will be interesting to see how a case like this will be interpreted in the future and whether the UK court’s assessment of originality changes in light of this decision. The decision in Cofemel will also impact other EU countries. For example, Portuguese national law has a requirement for “aesthetic effect” which the CJEU confirmed in the case is incompatible with the above originality requirements; whether a work creates an aesthetic effect does not determine whether its creation was an author exercising free and creative choices and implies a subjective assessment contrary to the second requirement of objectivity laid down by the CJEU. Other Member States such as Italy and Germany also have some level of artistic requirement for copyright to subsist.

In addition, if the only criteria for copyright protection to arise is originality, there is an implication that exhaustive lists of protectable subject matter, such as that contained in the CDPA, would also be incompatible with EU law. UK copyright law only recognises a prescribed list of defined “works” which attract copyright protection. This may have to change in light of this decision. According to the CJEU, protection arises when there is a work in the sense clarified by the Court: no other requirements are needed. Copyright protection cannot arise with different conditions being met depending on which “category” of work the object at issue belongs to.

Cofemel also questions the fixation requirement. The Berne Convention leaves it to individual signatory countries to decide on their own approach to fixation, but is that true for EU Member States? It appears not - the CJEU approach to EU copyright requires a harmonized approach to fixation across the EU. This means that there cannot be different choices regarding understandings of fixation: the approach should be uniform across the EU and be the one mandated in Levola Hengelo and Cofemel, namely the existence of an identifiable object with sufficient precision and objectivity.

As a Member State of the EU, the UK will have to comply with the CJEU ruling until Brexit takes place and may well have to follow the ruling after this date. This may involve having to remove the specific and definitive list of works set out in the CDPA and replace it with a more all-encompassing definition of a copyright work. After Brexit, whether there is a deal or not, the CJEU decision will be considered to be binding on the UK’s lower courts in the same way that Supreme Court judgments are. It is possible that we will see a case on this point reach the UK

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1 [2011] UKSC 39
Supreme Court in the next few years, and as it may well be one issue where UK judges would consider departing from EU law, this may be one of the first areas where we see UK copyright protection diverge from the position in the EU.

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Nederlands Uitgeversverbond and Groep Algemene Uitgevers v Tom Kabinet Internet BV and others (C 263/18)

In Tom Kabinet the CJEU considered the supply of second hand e-books and the “digital exhaustion” of rights, following a referral from the Dutch courts.

It concluded that the Defendant’s activities should be covered by communication to the public, meaning that the copyright holders’ rights in such circumstances are not exhausted.

A number of reasons were cited for the decision, which primarily focused on the distinction between e-books and hard copy books.

Firstly, the CJEU made reference to the WIPO Copyright Treaty underlying the InfoSoc Directive, which indicates that the EU legislature had only intended the rule of exhaustion to apply to the distribution of tangible objects (such as books on a material medium). Additionally, the CJEU was concerned that the application of the rule of exhaustion to e-books would negatively impact on rights holders ability to obtain proper reward compared to hard copy books, since dematerialised digital copies of e-books do not deteriorate with use, and second hand copies are effectively perfect substitutes for new copies.