

## Community Design and National Design Laws – Is Design Law Losing or Finding its True Roots?

By Karl-Nikolaus Peifer

### 1. Introduction

The right of designs has been a “step child” of Intellectual Property Law for a long time. This is mainly because design itself has many functions, so that legislators had to decide which function should be primarily protected. Designs are “elements incorporated into mass products that aim to enhance their attractiveness by their appearance”.<sup>1</sup> But what exactly is attractive to the appearance of a product? Is it the beauty of the shape, the pure decorative aspect? Is it a purely communicative aspect, that is, the task of giving the consumer information about the origin of the design? Or is it the functional aspect, not in the sense of a technical invention but in the sense of telling the customer how a product works and how it has to be used?

Lawyers have discussed all three concepts. Some national design laws therefore have adopted an approach close to copyright law – design as art - others have chosen an approach close to the law of technical inventions – design as function expressed in ornamental features. In the trade mark law approach, design is treated as communication between the producer and the customer.

The most prominent example for the copyright concept is France, where the theory of unity of art (l'unité de l'art) rules. Germany as well has favoured a copyright approach in the past. Great Britain and the United States have chosen a patent approach. The same is true for Austria with respect to the fact that Austrian design law in the past protected only designs which were absolutely new.<sup>2</sup> In Switzerland the Supreme Court ruled that design protection stands between copyright and patent law.<sup>3</sup> It

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<sup>1</sup> *Cornish*, Intellectual Property, 5th ed. 2003 at No. 14-01.

<sup>2</sup> Oberster Gerichtshof (OGH), 12/7/1994 – 4 Ob 59/94 – „Andante“, Österreichische Blätter für Gewerblichen Rechtsschutz (ÖBl.). 1995, p. 38; *Kucsko/Knittel*, Das neue österreichische Musterschutzrecht, GRUR Int.1991, 625, 626. Moreover, there was no criterion of originality in former Austrian design law.

<sup>3</sup> Bundesgericht (BG), 22/11/1988, Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil (GRUR Int.) 1992, p. 58, 59 – „Tausendfüßler“; *Ritscher*, Das schweizerische Muster- und

has also been said that the Community approach is more or less a trade mark approach.<sup>4</sup>

When design law was harmonized at the Community level, none of these functions survived in pure form. The first drafts of the community directive and the community regulation did not take a firm stand regarding the functional discussion.

That opens the floor to ask what the functions of the community design regime should be. The question is not purely academic. The question whether visible parts of a complex product should be protected by design law differs as to whether we argue that the beauty of the shape or the communication function is the main focus of design law. The question, however, leads us to the history of design law. And this might be a good starting point for a conference on design law.

## 2. The function of design

In the early years of French law, it was indeed the beauty of the shape which design law aimed to protect. Design production started with the adaptation of classical architectural ornaments to furniture. The Chippendale collection shows what the designer was asked to do. Design in those days had a purely ornamental function.

### 2.1. Copyright approach

This is the beginning of design rights. The field was closely related to art, arts applied to an object of use. Therefore, it is no wonder that the first function of design law was to grant a protection analogous to the protection of copyright law. The copyright approach was born. As a consequence design law did not protect the idea as such in an objective sense, but simply from copying. Consequently, the imitator had to know the original to be subject to an infringement. As another consequence the designer was not really encouraged to concentrate on functional aspects. The “form follows function” rule was not encouraged by this construction of design law.

The copyright approach for decorative articles was most successful in France in the beginning of the 20<sup>th</sup> century. Here, design objects were seen as objects of art, applied art, but nevertheless art. Under French copyright law, an artistic creation is protected despite or irrespective of its

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Modellrecht nach hundert Jahren - ein Anachronismus? GRUR Int. 1988, p. 418, 421.

<sup>4</sup> *Eichmann*, Das europäische Geschmacksmusterrecht auf Abwegen?, GRUR 1996, p. 859, 860.

destination.<sup>5</sup> A stool is protected even if you cannot sit on it. If you can sit on it, it is nevertheless protected by copyright law. Unity of art means that the protection of copyright and design law may be cumulated. In both cases, the functional aspect for itself is not protected; the object is protected if it bears a personal feature of the designer.<sup>6</sup> Therefore, design is coming very close to a personal right, a personality right of the designer.

When it comes to the protection of decorative products, such as lamps, vases, table and curtain cloth, the decorative aspect, the beauty of shape and pattern are still the leading marketing aspects for a design company. Surveys show that at least 20% of consumers of useful articles are willing to pay higher prices for a specially designed article.<sup>7</sup> This is the moment when marketing aspects are getting involved. This is also when industrial design is not merely “l’art pour l’art”, but a business interest. Raymond Loewy brought this to the conclusion that ugly products do not sell.

## 2.2 Trade mark approach

The so-called trade mark approach concentrates on the communicative aspects of design. Design may be remarkable, because it “stands for the company” and its corporate identity, which is expressed in its corporate design. If the consumer associates a company with a design line, the design gains an indication of origin like a trade mark plus a function of reputation. A classical example is architecture. You may recognize the Hong Kong and Shanghai-Bank by the architecture of its headquarters.

If you want to protect the trade mark function by law, you may use trade mark law for these purposes. But trademark law seeks to protect the trade mark attached to the product; a picture of the HSB building has to be attached to the letter head of the company. The trade mark as such is not subject of protection. The trade mark is a sign, a symbol that gains its value when it is attached to something else. Design as the shape of a product is more than just a symbol. If you want to protect a communication channel, you have to defend the designed products against all similar products which interfere with the extraordinary position of the original product. The protection is not so much against copying but

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<sup>5</sup> *Lucas/Lucas*, *Traité de la propriété littéraire et artistique*, 2<sup>nd</sup> ed. 2001, No. 74.

<sup>6</sup> *Greffe/Greffe*, *Traité des dessins et des modèles*, 4th ed. 1988, p. 181 et seq.

<sup>7</sup> See *M. Grimm*, *Welche Rolle spielt das Design beim Kauf von Gebrauchsgütern? Der Markenartikel (MA) 1996*, p. 605.

against disturbing the communication channel to the customer. This protection may be much wider because it is not only directed against confusion but also against dilution.

Current European design law reflects this trade mark approach only to a certain extent. The exclusive right which is given to the designer protects against “similar” designs; this means “similar in the overall impression it has on the informed user”. In fact the exclusive right includes “any design which does not produce on the informed user a different overall impression”.<sup>8</sup> Similarity in this sense is a trade mark concept, but it is narrow. It is directed only against confusion not against dilution. The Community Regime in this regard is prepared to work against a cumulated protection of design functions. However, as the community rules do not contain any provisions which prevent a designer from registering a trade mark as a design,<sup>9</sup> community law does not hinder a cumulative protection of trade marks as designs. Therefore, especially three-dimensional trade marks will be registered as community designs in future. The national law will not be able to restrict this practice effectively.

### 2.3 Patent approach

The so-called patent approach has its roots in the Anglo-American design law. It is characterized by the classical sentence “form follows function” and accepts that industrial design does not solely aim at decoration but shall help the consumer to use the product. Good design in this tradition is design which is self-explaining and “speaking” in a way that the user immediately recognizes how he may use the product effectively. Bad design in this sense may be design which prevents the user from the correct and intended usage of the product as long as this effect is not directly intended by the designer. It may be wanted, though, in the case of the design of dangerous products.

There is no dispute in the design right about the principle that a design which is solely functional may only be protected by a patent or a design patent (“Gebrauchsmuster”) but not by an industrial design (“Geschmacksmuster”). This explains the exclusion of design protection for designs solely dictated by their function (Art. 8 subs. 1 Design Regulation). This exception, however, is narrow. It does not attack fundamentally the “form follows function” rule. Community law might not

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<sup>8</sup> Art. 10 (1) Community Regulation 6/2002.

<sup>9</sup> Whereas community trade mark law does: Art. 7 (1) lit. e iii of Council Regulation No. 40/94 on the Community trade mark excludes from registration “signs which exclusively consist of the shape which gives substantial value to the products”.

have fostered the patent approach; it nevertheless facilitates the protection of functional design.

It may be interesting that surveys have shown that 80% of consumers do not pay attention to the beauty but the functionality of a product, when it comes to a product which is not bought for mere decorative purposes. That is the case when it comes to pens, watches, electronic devices, mobile phones and furniture. If you cannot sit well on a chair, be it look nice or ugly, those interested in using it will not want to buy it.

However, Swiss and German design law have been sceptical about a far-reaching protection of functional features. It has been argued that there should be no design protection, if the function of a design may only be reached by another functional and not by any “capricious” ornamental device.<sup>10</sup> If a function does not dictate the shape or pattern, but is useful, its protectability as a design is therefore doubtful. In trade mark law the well-known three-headed electric shaver of Philips has provoked the discussion whether trade mark protection is still achievable if the trade mark is not a capricious addition to the article, but a functional feature which therefore may only be substituted by competitors through other functional devices.<sup>11</sup> The European Court of Justice did not answer the question clearly; the Advocate General however was sceptical about the protectability of functional trade marks.<sup>12</sup>

Swiss law originally excluded such protection and some commentators are still reluctant to accept the protection of a shape which is merely useful or functional, but not primarily ornamental.<sup>13</sup> Austrian design law in

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<sup>10</sup> Cornish, Intellectual Property, at No. 14-19; *Eichmann/von Falckenstein*, *Geschmacksmustergesetz*, 3rd ed. 2003, § 3 note 6.

<sup>11</sup> ECJ C-299/99 *Koninklijke Philips Electronics NV/Remington Consumer Products Ltd.*, ECJ-Coll. 2002, I-5475 at No. 43 (argument of competitor).

<sup>12</sup> ECJ, *infra* at no. 50; See Opinion of Advocate General Colomer *infra* at no. 38: “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“.

<sup>13</sup> Art. 3 *Musterschutzgesetz* 1900; still today sceptical toward the protection of functional design is *P. Heinrich*, *Kommentar zum schweizerischen Designgesetz*, 2002, No. 4.07.

the past did not exclude functional objects.<sup>14</sup> French and German design law had a clear copyright approach; nevertheless the protection of functional and not merely decorative objects was within reach.<sup>15</sup>

## 2.5. What function now?

The Community did not explicitly decide which design approach should be chosen. The Community regime is a mixture of all functions presented. Some call it a design approach; others prefer the term marketing approach. Neither term help; the first does not fit into the functional schemes, the second only says what a merchant has to do if he wants to sell his products. Law helps him, but does not protect sales efforts as such. The primary aim of the Community regime is to abolish market barriers by harmonization of national laws and granting a community-wide protection-standard. But the Commission also wanted to encourage innovation and investment into new products. This last aspect, the so-called encouragement-function, is central to intellectual property rights. Those who want to encourage investment have to exactly define what function should be fostered. This is the main flaw of the Community regime. National legislators, courts and attorneys are left alone with the question as to whether the easy usage, the beauty or the communicative styling of a product should be fostered.

I would argue that the Community Design should move away from copyright law towards a patent approach when it comes to protectability. Some provisions of the Community regime already show that it is functionality rather than beauty of the shape, which design law primarily protects and therefore encourages.

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<sup>14</sup> § 1 (1) Musterschutzgesetz 1990: "Vorbild für das Aussehen eines gewerblichen Erzeugnisses". See *Kucsko/Knittel*, GRUR Int. 1991, p. 625, 626; *Wechselberger*, Die Neuordnung des Musterschutzes in Österreich und in der Gemeinschaft, Wien 2003, p. 13.

<sup>15</sup> This is important for the protection of spare parts of automobiles ; this protection is granted by BGH GRUR 1987, p. 518 – "Kotflügel" (car wings); Tribunal de Grande Instance Rouen, *Régie Nationale des Usines Renault c. Thévenoux et autres*, La Semaine Juridique (JCP) 1987, éd. G, no. 19, II, p. 20787 = GRUR Int. 1987, p. 600.

### 3. Adaptations

#### 3.1 Components and spare parts

Components of complex products and spare parts are protected by Community law and the national laws have to protect them. Countries whose national design law concentrates on decorative aspects should have problems in protecting single parts if these parts do not have a separate decorative value. Swiss law was reluctant to protect shapes with a dominating functional aspect.<sup>16</sup> For an artistic approach, the protection of spare parts is acceptable as long as the spare part is individually sold and as long as it has an ornamental function for the complete product. For a functional approach, the protection of spare parts is well established as long as the design supports, explains and shows the function of the single part or the product as a whole. The community regime protects spare parts and modular systems with the sole exclusion of parts with no design alternative, Art. 8 (1) and (3) EC-Regulation. The exclusion of “must-fit”-spare parts is not dictated by design theory or a patent-oriented design law, but by competition law. It is a limitation to design law which aims to protect market structures and the freedom to enter into markets. For a patent approach “must fit”-connecting parts as such are capable of being protected. There is no reason to exclude must-match-parts, like rear lights of a car, from protection.<sup>17</sup>

#### 3.2 Visible and invisible parts

The Community Regulation excludes invisible parts from protection. This did not arise from the patent approach. Invisible design may help to facilitate the use of a product at least when it comes to understanding how the product, say a car’s motor block, works. In fact, the regulation took a copyright approach to solve this question. What is invisible may not influence the appeal of a product. It is not art because it is not decoration. However, it does not fit into the Community concept. It is nothing more than another answer to the competition problem that spare parts provoke.

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<sup>16</sup> Bundesgericht, 15.10.1990, Official Collection vol. 116 II p. 472 = SMI 1991, 153 = GRUR Int. 1991, 314 – “Volvo Kotflügel“ (car wing).

<sup>17</sup> This is also acceptable for a copyright approach; see Oberlandesgericht Düsseldorf, 23/12/1996, GRUR Int. 1997, 646 – “Golf-Heckleuchten“ (rear lights).

### 3.3. Trade dress and furnishing arrangements

It might be argued that the so-called trade-dress, i.e. the shop front, the furnishing of a restaurant or a business interior is not protected by design law because the overall arrangement of things is not a “product”.<sup>18</sup> From the point of view of a patent approach, this exclusion is not compulsory as long as a trade dress is functional in a way that it communicates to the user how single functions of an entity may be made use of. A kitchen arrangement is a good example to explain this.

### 3.4 New design products

For a patent approach there is no problem in accepting that acoustic, olfactory and patterns detectable to the senses of sound, smell and touch may have a function expressed by design.

## 4. Copyright protection and Design protection – unity of art?

If design law is moving towards a more functional approach, i.e. towards the concept of “form follows function”, it has to be accepted that design law has to renounce copyright concepts. German law has always rejected the idea that pure art and applied art stand on the same level. Therefore, the protection of applied art is only granted if high protection standards are fulfilled.<sup>19</sup> With the 25-year-protection period, design law has reached an almost high standard. With the opening up of design law to functional features, design law should stand on its own feet. There are two arguments which might be used to foster my point of view.

In the recent past, efforts have been made to protect unregistered design by copyright law. French law is conceptually fit to grant this protection. The Italian shoemaker “Tod’s” sued in France for copying of shoe models on the grounds of copyright law. International copyright law originally grants this protection only if the country of origin does so. When Tod’s sued for the distribution of similar shoes not being subject of a registered design by Heyraud’s the European Court of Justice rejected this international copyright exemption rule and obliged French courts to grant copyright protection for all models coming from within the Community,

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<sup>18</sup> This point of view is rejected by *Kur*, Die Auswirkungen des neuen Geschmacksmusterrechts, GRUR 2002, p. 661, 663.

<sup>19</sup> The so called „besondere Gestaltungshöhe“, see BGH Official Collection (BGHZ) vol. 29, p. 62 = GRUR 1959, p. 289, 290 – Rosenthalvase.

because the opposite result would discriminate against foreign companies.<sup>20</sup>

This result would mean that at least those countries open for a copyright protection on low (artistic) level would have to grant an equal treatment to any design coming from or originating in the Community. The concept would take us away from the functional doctrine and would push design law back into the times of purely decorative production. From the point of view of modern design theory this should not happen.

There is another practical aspect of the case. Copyright law protects against imitation on a broad level. Imitation in the copyright sense is also the public viewing of a protected object. Showing design in advertisements by a dealer would need a license.<sup>21</sup> This license might be interesting from the point of view of the designer because it means an additional fee. But it would immediately call for a competition rule which exempts the mere showing of the article for advertising reasons. Such an “advertisement exception” for objects of art would be detrimental to pure art. It would moreover disturb the finely tuned balance of intellectual property rights.

### Conclusion

The attraction of design comes from the “form follows function”-rule not from the pure beauty of shape. Good design is more than ornament. Even ornament is functional as soon as it is adapted to products. European design law nowadays does not exclude the protection of a shape or pattern because it shows how the product is to be used. Therefore, a functional approach which might be called a patent approach, is the necessary next step.

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<sup>20</sup> ECJ 30/6/2005 – C 28-04 – Tod’s/Heyraud, GRUR Int. 2005, p. 755.

<sup>21</sup> See the case ECJ, 4/11/1997 – C 337/95, GRUR Int. 1998, 140 – Dior/Evora.

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The case of shoe protection by copyright law clearly shows that the patent approach is the right approach for design law. It opens up design law for the protection of functional elements which are not solely dictated by the form of a feature, but it should not lead to a broad copyright protection for objects of utility. The new approach helps functional design and brings it to where design theory already stands.

Professor Dr. Karl-Nikolaus Peifer is Director of the Institute of Media and Communications Law at the University of Cologne and Judge at the Oberlandesgericht Hamm  
Aachener Str. 197-199  
50931 Köln  
Tel. 0221-28556 130  
Fax 0221-28556 134  
E-mail: [kpeifer@uni-koeln.de](mailto:kpeifer@uni-koeln.de)  
Internet: [www.institut-medienrecht.de](http://www.institut-medienrecht.de)