

## **Implementation of Directive 98/71/EC and its impact on French design law**

**By Julie Schouman**

Directive 98/71/EC of 13 October 1998 (hereinafter: the "Directive") was implemented into French law by Order No. 2001-670 of 25 July 2001 (hereinafter: the "Order").

The Order replaced Title 1, Book V, of the Intellectual Property Code (hereinafter: the "IPC") stemming from the Act of 14 July 1909 entitled "*Conditions et modalités de la protection*" (Terms and Conditions of Protection), while Title 2, "*Contentieux*" (Disputes), remained unchanged.

The question asked is whether Directive 98/71/EC changed our protection system.

Therefore, to answer the question, we shall:

1. reiterate the specific system characterising French law;
2. pay attention to the primary principle set forth by the Directive; and
3. comment on Order No. 2001-670, and more specifically its provisions relating to protection requirements.

### **1. The Specific French Character**

Most countries of the world have two statutes: one relating to copyright, that applies to "pure art", and one relating to designs described as "art applied to industry".

The first statute usually grants protection without registration requirement, the sole requirement being proof of creation, while the second statute requires prior registration.

However, French Courts found it impossible to distinguish, on the basis of objective criteria, creations that were products of pure art from those that were relevant of the art applied to industry. As it was not up to French Court to act as art critics, they ended up adopting the so-called "unity of art" theory put forward by E. Pouillet, according to which any creation, whether a product of pure art or decorative art, can be protected by copyright.

Thus, the cumulation of both statutes has become the rule under French law. This means that the requirements for protection are the same,

whichever of the two statutes is being relied on, so that any design meeting such requirements can benefit from both statutes.

There are two such requirements:

- novelty, defined as the lack of priority rights in prior art; and
- a creative effort.

From the moment the principle of cumulation was established, the lower courts, under control of the *Cour de cassation*, made sure to characterise not only novelty but also the effort of creation shown by the design under review.

The effort of creation is to be given a very wide meaning as the degree of creativity required under French law is very low and independent of any artistic character. It should be noted that protection is granted to creations of whatever kind, form of expression, merit, or purpose (Section L 112-1 of IPC).

Under French law the effort of creation is an objective concept defined with regard to public domain. Such effort is characterised whenever the shape, which it must be possible to define, shows a certain configuration of ornamentations, that is, of uselessness and no right of priority can be enforced against it.

This means that: (i) like trade marks, a design whose shape has been solely dictated by function shall be excluded from protection (Sections L. 511-8 and L 711-2 of IPC), and (ii) a design that a court will regard as trite with regard to public domain shall not be eligible to protection. This is the only and quite limited share of subjectivity left to the courts, as the latter may not and shall not pass a value judgment on the item submitted to them.

Thus, a design of a rim for motor car wheels has been protected in the same way as a sculpture by Rodin.

So the French system does not provide for any hierarchy among creations.

This egalitarian view of creations (both statutes referring moreover to "creation" or "creator") guarantees creations a highly effective protection.

In fact, one of the major advantages of cumulation is that registration becomes optional.

If registration has been made, the author is automatically granted protection by both statutes.

Conversely, if no registration has been made, if the registration is null and void, if the registration was not renewed, or if counterfeiting occurs between creation and registration, the author may still receive protection from the copyright statute.

So this results in better protection, because protection is both very wide and objectively defined.

However, the French system appears as an exception in the European landscape.

## **2. The essential principle of the Directive**

Before harmonisation, there were three types of systems in Europe:

1. Those that accepted full cumulation of the two statutes (France and Belgium), which means, let's reiterate it, that protection requirements for the work are the same, whether in the field of copyright or in the field of designs, especially the required degree of creativity,
2. Those that accepted part cumulation (Germany, UK, and Spain), i.e. that accepted cumulative protection of copyright law and design law only by way of exception on the basis of country-specific requirements, some of them requiring a very high (and eminently subjective) degree of creativity; and
3. Those that rejected any cumulation (Italy and Portugal), thus retaining a tight barrier between pure art and art applied to industry.

In the mid-nineties, the EU authorities were roused to action by such disparities within the EU.

After over ten years' work, the project, as outlined in the Green Book, was brought into line with German law which applies cumulation only by way of exception in cases – as far as we know – where the courts consider that the design under consideration has an extremely high artistic value making it worthy of being exhibited in a museum. This is how an armchair by Le Corbusier was protected under German law without filing being required. Under such circumstances, protection by copyright for a manufactured item is exceptional.

Our firm, acting as the Counsel of organisations such as *Confédération des Métiers d'Art*, made every effort so that the final project of the Directive would not harm the principle of cumulation by which France sets particular store.

It is under such circumstances that the 1998 Directive was issued, with its Article 17 setting forth the principle of cumulation as follows:

*"Relationship to copyright*

*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".***

This provision is the essential provision in the Directive. Since it makes cumulation compulsory, Italy and Portugal had to change their regulations.

However, the provision leaves to each Member State the power to define the degree of creativity on the basis of which a design can be protected, which means that the systems recognising part cumulation were not changed.

As a result, no harmonisation took place. That aim would have been reached only with the adoption of a common definition of designs likely to be protected, or more specifically of the degree of creativity required for protection to be granted to designs, which is not the case.

### **3. The consequences of the 2001 Order**

Implementation of the Directive in France was performed by an Order and not by an Act, Orders being statutes equivalent to Acts, except that they are signed by the President of the French Republic and not voted by the Parliament.

A specific feature of Orders is that they have an introduction or "foreword" intended to inform the President.

The foreword of the 2001 Order refers to the following principles:

*"It should be emphasised, on the merits, that the Directive **is not in opposition with applicable law**. In particular, when protection of designs is ensured not only by a specific legislation but also, as is the case in most Member States to various degrees, by copyright law, this second protection mechanism is absolutely not affected by the Directive.*

***Consequently, the traditional French rule of full cumulation of protection by copyright statute and specific design statute, a rule stemming from the unity-of-art theory, is entirely maintained. The principle thereof is specifically set forth in the new Section L. 513-2 that specifically reserves application of Books I and III of the Intellectual Property Code."***

For the first time in the history of design protection, the law – in this case EU law and French law – have specifically established the principle of cumulation and more specifically the principle of full cumulation.

Assertion of this rule implies not only that the protection requirements – whether in the field of the copyright statute or in the field of the design statute – are the same, but also that, unlike what may have been said, the new protection requirements for designs resulting from implementation of the Directive and listed in Section L. 511-2 of IPC, namely novelty and specific character (or "individual character" to use the wording in the Directive), do not change in any way, and are synonymous with, the old requirements, namely novelty and effort of creation.

Moreover the will to retain the same criteria as those existing under the 1909 Act can be found in the new provisions which still refer to "creation" or "creator" (Section L 511-6, L 511-4 and L 511-9 of IPC).

In addition to the fact that the protection requirements are identical, the establishment of the cumulation principle has two consequences:

1. Manufacturers enjoy a much longer term of protection, since the copyright statute grants a protection of 70 years *post mortem*, while protection granted by the design statute is limited to 25 years, after implementation of the Directive (instead of 50 years under the old French statute).

However, it should be noted that a new provision of French Design law resulting from the Directive requires filing of a design within a year of its disclosure. Thus, the practice that was developed in France consisting in filing a design the day before expiry of the copyright in order to extend as much as possible the term of protection, has been condemned.

2. For manufacturers who want to be protected only in France, registration has become optional.

They will just need to refer to copyright, the rest being merely a matter of proof, for they will have to prove its creation at a certain date.

The traditional copyright options are open to manufacturers: advertising the design on the manufacturer's own name in a dated review or newspaper (under such circumstances, case law grants a presumption of ownership); recording by bailiff (to give an identified object a certain date); sending to himself photographs of the design (a common practice in the fashion business); so-called "Soleau envelope" filed with the INPI (French IP Office), etc.

It should be specified that, since protection is sought on the basis of copyright, the relevant date shall be the date of creation and not the date of disclosure or marketing. In other words, creation may well remain secret and be disclosed only at the time an infringement has been found.

In short, France can only regret the very low harmonisation made by the Directive, since its system which is highly protective of designs remains isolated, whereas designs are no longer the poor relations to patents, trade mark or copyrights. Today, the shape and the design of an object have considerable importance in the market, so much so that they have become a factor of identification just as, if sometimes even more so, the trade mark.

Directive 2004/48/CE provides hope for some harmonisation of procedures, in particular with regard to seizures for infringement and sanctions which, for the time being, remain quite different from Member State to Member State.

This being said, it does not seem that the 2004/48/CE Directive will entail substantial changes in French law, whose existing provisions and procedures are already meeting EU requirements in a very satisfactory way. This surely explains the lack of interest in the not yet implemented Directive.

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