

# European Union

Bugnion SpA

## Copyright's revenge on designs: Italian Supreme Court applies CJEU *Cofemel* ruling

An Italian Supreme Court decision concerning the layout of Kiko make-up stores is a welcome sign of the harmonising effect of the Court of Justice of the European Union's *Cofemel* ruling, but could open the door to the protection of 3D designs with little originality or that are mainly functional

A string of Court of Justice of the European Union (CJEU) decisions is providing fresh guidance on design protection – a controversial issue that has previously caused divisions between EU member states that required special artistic merit for a design to be protected as copyright (Italy, Germany, United Kingdom and Portugal) and those that did not.

Product shapes and 3D designs can be protected in the European Union using a variety of IP rights, including designs, utility models, 3D trademarks and even copyright, provided that they meet the relevant requirements. Moreover, various IP rights can be used to protect the same shape, as the rationale and thus the scope of protection is different for each. Of these rights, copyright applied to designs has generally been the least harmonised in the European Union – but not for much longer.

Countries that were reluctant to use copyright based their approach on a functional vision of designs, which can rarely be seen as works of art, and justified this with the intention to protect free competition, which can be better preserved with the short period of protection for designs (maximum 25 years) than the long-lasting duration of copyrights (the life of the author plus 70 years).

### Cofemel heritage

The CJEU has recently sought to clarify when industrial designs can also be protected by copyright. In *Levola Hengelo BV v Smilde Foods BV* (CJEU, 13 November 2018, Case C-310/17), the court set the common rule that 2D and 3D designs can be protected under copyright law if they are an original expression of the author and the work is “expressed in a manner which makes it identifiable with sufficient precision and

objectivity, even though that expression is not necessarily in permanent form”. This standard greatly broadened the definition of ‘work’, embracing all designs that are not totally functional or banal.

In *Cofemel – Sociedad de Vestuario SA v G-Star Raw CV* (CJEU, 12 September 2019, Case C-683/17), the court further clarified that EU member states cannot request a higher level of originality of a design to grant copyright protection, such as the ‘artistic value’ required by Italian case law, which basically limits copyright to those designs that can be considered true works of art. According to the CJEU, copyright applies to designs that meet the notion of ‘work’ in a precise and objective form of expression and are sufficiently original, in the sense that “the subject matter reflects the personality of its author, as an expression of his or her free and creative choices”. This criterion is both necessary and sufficient, and no additional aesthetic or artistic level of the design can be requested by national courts, as this assessment would be too subjective. In this regard, the CJEU holds that: “The aesthetic effect that may be produced by a design is the product of an intrinsically subjective sensation of beauty experienced by each

individual who may look at that design. Consequently, that subjective effect does not, in itself, permit a subject matter to be characterised as existing and identifiable with sufficient precision and objectivity, within the meaning of the case-law.”

For countries that have previously required a higher level of originality for designs to enjoy copyright protection, the *Cofemel* approach is a revolution. However, the CJEU left some room for manoeuvre when it stated that: “Although the protection of designs and the protection associated with copyright may, under EU law, be granted cumulatively to the same subject matter, that concurrent protection can be envisaged only in certain situations.” The court gives no further guidance as to what those situations might be.

### Italian KIKO case

EU national courts are starting to apply the *Cofemel* standards when determining whether a 3D design can be protected under copyright law. The first Italian Supreme Court decision following this trend involved the famous chain of Kiko make-up shops (*Kiko SpA v Wycon Srl*, 30 April 2020, Decision 8433).

FIGURE 1: Kiko SpA EU Design Registration 002993204-0003 (19 February 2016)





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However, it sets the trend of stretching copyright protection to almost all shapes, including designs, potentially authorising protection to 3D designs with little originality or that are mainly functional, as the recent *Brompton Bicycle Ltd v Chedech/Get2Get* (CJEU, 11 June 2020, Case C-833/18) suggests.

If design owners feel that the longer protection of copyright is preferable to shorter design registrations, there could be a drastic reduction in EU design registrations and a restriction to market competition, typically boosted by the freedom to reproduce expired designs.

However, as *Kiko* shows, obtaining judicial protection based on copyright may take a decade, with a decade's worth of attorney fees to match, and the outcome may still be uncertain. By registering a design, the owner obtains an immediately enforceable title, enjoying a presumption of validity against third parties, without renouncing additional copyright protection. Further, design registrations are publicly accessible and deter competitors from copying designs. As such, copyright remains a residual weapon in the battle against counterfeiting, and design registration should not be abandoned – especially in the European Union, where one inexpensive application can cover countless designs quickly and cost-effectively. **WTR**

In 2016 Kiko successfully registered a Community design for a new shop layout, having been denied a similar 3D trademark in 2014 for lack of distinctiveness.

In July 2006 Kiko registered “Design of interior furnishings for single-brand stores Kiko-Make-Up-Milan” for the design of its chain of make-up shops. In 2013 Kiko summoned competitor Wjcon (now Wycon) before the Court of Milan, claiming unfair competition under the Italian Civil Code, due to Wycon’s imitation of “elements, having original combination as a whole, characterizing Kiko’s points of sale, exploitation of the lay-out, result of years of investment and research, and parasitic competition, arising from the continuous and systematic imitation of the plaintiff’s initiatives, as well as the violation of Kiko’s exclusive rights to reproduce the architectural project commissioned and built in 2006, relating to shops, pursuant to art. 2 No. 5 Italian Copyright Law”. Kiko sought injunctions and damages and the complaint was upheld both in the first instance and on appeal, mostly on the grounds of copyright infringement, while the claims of unfair and parasitic competition were dismissed, with damages quantified at over €700,000.

In particular, the Court of Milan held that:

*a) the choice, combination, coordination and overall conformation of the elements used for the furnishing of the Kiko stores [such as: the open space entrance with two large backlit graphics on the sides, inside side displays consisting of continuous and inclined structures having walls characterized by housing in perforated transparent plexiglass in which the products are inserted, “islands” with curved edges positioned in the center of the shops to contain the products and provide shelves, the presence of numerous TV screens embedded in inclined displays, use of combinations of the same colors (white, black, pink / purple) and disco effect lights], expressed in the interior architecture project... had sufficient elements of creativity, as they were not imposed by technical solutions, thus the architectural project was original and creative and, therefore, worthy of protection pursuant to art.2 No. 5 Copyright Law; b) Wjcon*

*substantially copied the complex of said elements, with minor differences (exhibitors-islands), which are not sufficient to rule out counterfeiting of others’ architecture project.*

Wycon appealed the decision to the Supreme Court on 12 grounds. Two pertained to the erroneous application of Article 2(5) of the Copyright Law, both because the project should not have been classified as a work of architecture, since it was not concrete and defined in all its formal expressive features, and because it should have been classified as a work of design, for which the court had failed to evaluate the ‘artistic value’ requirement.

On 30 April 2020 the Italian Supreme Court dismissed all grounds and confirmed that the project was a work of architecture, which was not defined in detail as it dealt with a ‘concept store’, inherently undefined. The court clarified that it was not the idea itself to be protected, but its concrete external expression in the architect’s project, as required by case law. The project was found to be ‘creative’ under the Copyright Law and replicated in its main characteristics in 40 Kiko stores. According to the court, the project revealed a unitary design that was visually appreciable with a clear stylistic key and the personal print of the author. Thus, it could be protected as a work of architecture, pursuant to Article 5(2) of the Copyright Law, insofar as the combination of single known elements was original and was not imposed by a technical-functional problem that the author wanted to solve. As the project was not to be classified as a work of design, the additional requirement of artistic value did not apply. In addition, the Supreme Court cited *Cofemel* and stated that copyright should apply provided that the work is original and reflects the author’s personality in expressing their free and creative choices – this being sufficient without the need to prove the aesthetic or artistic value of the work.

#### Comment

The latest CJEU case law is welcome for its harmonising effect on national copyright case law and because it removes the subjective assessment of originality based on aesthetic or artistic considerations.