

JUDGMENT OF THE COURT (Second Chamber)

19 June 2014 (*)

(Regulation (EC) No 6/2002 — Community design — Article 6 — Individual character — Different overall impression — Article 85(2) — Unregistered Community design — Validity — Conditions — Burden of proof)

In Case C-345/13,

REQUEST for a preliminary ruling pursuant to Article 267 TFEU from the Supreme Court (Ireland), made by decision of 6 June 2013, received at the Court on 24 June 2013, in the proceedings

Karen Millen Fashions Ltd

v

Dunnes Stores,

Dunnes Stores (Limerick) Ltd,

THE COURT (Second Chamber),

composed of R. Silva de Lapuerta (Rapporteur), President of the Chamber, J.L. da Cruz Vilaça, G. Arestis, J.-C. Bonichot and A. Arabadjiev, Judges,

Advocate General: M. Wathelet,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

- Karen Millen Fashions Ltd, by J. Waters, Solicitor,
- Dunnes Stores and Dunnes Stores (Limerick) Ltd, by G. Byrne, Solicitor,
- the United Kingdom Government, by S. Brighthouse, acting as Agent, and by N. Saunders, Barrister,
- the European Commission, by F.W. Bulst and J. Samnadda, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 2 April 2014

gives the following

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Articles 6 and 85(2) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1).
- 2 The request has been made in proceedings between Karen Millen Fashions Ltd ('KMF'), on the one hand, and Dunnes Stores and Dunnes Stores (Limerick) Ltd ('Dunnes'), on the other, concerning an application made by KMF to restrain the use of designs by Dunnes.

Legal context

The TRIPS Agreement

- 3 The Agreement on Trade-Related Aspects of Intellectual Property Rights ('the TRIPs Agreement') constitutes Annex 1C to the Agreement establishing the World Trade Organisation (WTO), which was signed in Marrakesh on 15 April 1994 and approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1).
- 4 In section 4, entitled 'Industrial Designs', of Part II of that agreement, entitled 'Standards concerning the availability, scope and use of Intellectual Property Rights', Article 25, itself entitled 'Requirements for Protection', provides:

'1. Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

...'

Regulation No 6/2002

- 5 Recitals 9, 14, 16, 17, 19 and 25 in the preamble to Regulation No 6/2002 state:

'(9) The substantive provisions of this Regulation on design law should be aligned with the respective provisions in Directive 98/71/EC.

...

(14) The assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design.

...

(16) Some of those sectors produce large numbers of designs for products frequently having a short market life where protection without the burden of registration formalities is an advantage and the duration of protection is of lesser significance. On the other hand, there are sectors of industry which value the advantages of registration for the greater legal certainty it provides and which require the possibility of a longer term of protection corresponding to the foreseeable market life

of their products.

(17) This calls for two forms of protection, one being a short-term unregistered design and the other being a longer term registered design.

...

(19) A Community design should not be upheld unless the design is new and unless it also possesses an individual character in comparison with other designs.

...

(25) Those sectors of industry producing large numbers of possibly short-lived designs over short periods of time of which only some may be eventually commercialised will find advantage in the unregistered Community design. Furthermore, there is also a need for these sectors to have easier recourse to the registered Community design. Therefore, the option of combining a number of designs in one multiple application would satisfy that need. However, the designs contained in a multiple application may be dealt with independently of each other for the purposes of enforcement of rights, licensing, rights in rem, levy of execution, insolvency proceedings, surrender, renewal, assignment, deferred publication or declaration of invalidity.'

6 Under Article 1 of Regulation No 6/2002:

'1. A design which complies with the conditions contained in this Regulation is hereinafter referred to as a "Community design".

2. A design shall be protected:

(a) by an "unregistered Community design", if made available to the public in the manner provided for in this Regulation;

...'

7 Article 4(1) of that regulation provides that a design is to be protected by a Community design to the extent that it is new and has individual character.

8 Article 5 thereof states:

'1. A design shall be considered to be new if no identical design has been made available to the public:

(a) in the case of an unregistered Community design, before the date on which the design for which protection is claimed has first been made available to the public;

(b) in the case of a registered Community design, before the date of filing of the application for registration of the design for which protection is claimed, or, if priority is claimed, the date of priority.

2. Designs shall be deemed to be identical if their features differ only in immaterial details.'

9 Article 6 of that regulation provides:

‘1. A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public:

(a) in the case of an unregistered Community design, before the date on which the design for which protection is claimed has first been made available to the public;

(b) in the case of a registered Community design, before the date of filing the application for registration or, if a priority is claimed, the date of priority.

2. In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.’

10 Article 11 of Regulation No 6/2002 provides:

‘1. A design which meets the requirements under Section 1 shall be protected by an unregistered Community design for a period of three years as from the date on which the design was first made available to the public within the Community.

2. For the purpose of paragraph 1, a design shall be deemed to have been made available to the public within the Community if it has been published, exhibited, used in trade or otherwise disclosed in such a way that, in the normal course of business, these events could reasonably have become known to the circles specialised in the sector concerned, operating within the Community. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.’

11 Article 19 of that regulation provides:

‘1. A registered Community design shall confer on its holder the exclusive right to use it and to prevent any third party not having his consent from using it. The aforementioned use shall cover, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes.

2. An unregistered Community design shall, however, confer on its holder the right to prevent the acts referred to in paragraph 1 only if the contested use results from copying the protected design.

The contested use shall not be deemed to result from copying the protected design if it results from an independent work of creation by a designer who may be reasonably thought not to be familiar with the design made available to the public by the holder.

...’

12 According to Article 85(2) of that regulation:

‘In proceedings in respect of an infringement action or an action for threatened infringement of an unregistered Community design, the Community design court shall treat the Community design as valid if the right holder produces proof that the conditions laid down in Article 11 have been met and indicates what constitutes the individual character of his Community design. However, the defendant may contest its validity by way of a plea or with a counterclaim for a declaration of invalidity.’

The dispute in the main proceedings and the questions referred for a preliminary ruling

- 13 KMF is a company incorporated under the law of England and Wales which carries on the business of producing and selling women's clothing.
- 14 Dunnes is a substantial retailing group in Ireland which, among other things, sells women's clothing.
- 15 In 2005 KMF designed and placed on sale in Ireland a striped shirt (in a blue and a stone brown version) and a black knit top ('the KMF garments').
- 16 Examples of the KMF garments were purchased by representatives of Dunnes from one of KMF's Irish outlets. Dunnes subsequently had copies of the garments manufactured outside Ireland and put them on sale in its Irish stores in late 2006.
- 17 Asserting itself to be the holder of unregistered Community designs relating to the garments, on 2 January 2007, KMF commenced proceedings in the High Court in which it claimed, inter alia, injunctions restraining Dunnes from using the designs, and damages.
- 18 The High Court upheld that action.
- 19 Dunnes brought an appeal against the judgment of the High Court before the Supreme Court.
- 20 That court states that Dunnes does not dispute that it copied the KMF garments and acknowledges that the unregistered Community designs of which KMF claims to be the holder are new designs.
- 21 However, it is clear from the order for reference that Dunnes disputes that KMF is the holder of an unregistered Community design for each of the KMF garments on the grounds, first, that the garments do not have individual character within the meaning of Regulation No 6/2002 and, secondly, that that regulation requires KMF to prove, as a matter of fact, that the garments have individual character.
- 22 It was in those circumstances that the Supreme Court decided to stay the proceedings and to refer two questions to the Court for a preliminary ruling:
- '1. In consideration of the individual character of a design which is claimed to be entitled to be protected as an unregistered Community design for the purposes of [Regulation No 6/2002], is the overall impression it produces on the informed user, within the meaning of Article 6 of that Regulation, to be considered by reference to whether it differs from the overall impression produced on such a user by:
 - (a) any individual design which has previously been made available to the public, or
 - (b) any combination of known design features from more than one such earlier design?
 2. Is a Community design court obliged to treat an unregistered Community design as valid for the purposes of Article 85(2) of [Regulation No 6/2002] where the right holder merely indicates what constitutes the individual character of the design or is the right holder obliged to prove that the design has individual character in accordance with Article 6 of that Regulation?'

The questions referred

The first question

- 23 By its first question, the referring court asks, in essence, whether Article 6 of Regulation No 6/2002

must be interpreted as meaning that, in order for a design to be considered to have individual character, the overall impression which that design produces on the informed user must be different from that produced on such a user by one or more earlier designs, taken individually, or by a combination of features taken in isolation and drawn from a number of earlier designs.

- 24 There is nothing in the wording of Article 6 of Regulation No 6/2002 to support the view that the overall impression referred to therein must be produced by such a combination.
- 25 The reference to the overall impression produced on the informed user by ‘any design’ which has been made available to the public indicates that Article 6 must be interpreted as meaning that the assessment as to whether a design has individual character must be conducted in relation to one or more specific, individualised, defined and identified designs from among all the designs which have been made available to the public previously.
- 26 As observed by the United Kingdom Government and the European Commission, that interpretation is in keeping with the case-law in which it has been held that, when possible, the informed user will make a direct comparison between the designs at issue (see judgment in *PepsiCo v Grupo Promer Mon Graphic*, C-281/10 P, EU:C:2011:679, paragraph 55, and *Neuman and Others v José Manuel Baena Grupo*, C-101/11 P and C-102/11 P, EU:C:2012:641, paragraph 54), because that type of comparison actually relates to the impression produced on that user by earlier individualised and defined designs, as opposed to an amalgam of specific features or parts of earlier designs.
- 27 It is true that the Court also held that it cannot be ruled out that a direct comparison might be impracticable or uncommon in the sector concerned, in particular because of specific circumstances or the characteristics of the items which the earlier mark and the design at issue represent. It observed in that context that, in the absence of any precise indications to that effect in Regulation No 6/2002, the EU legislature cannot be regarded as having intended to limit the assessment of potential designs to a direct comparison (see *PepsiCo v Grupo Promer Mon Graphic* (EU:C:2011:679), paragraphs 55 and 57, and *Neuman and Others v José Manuel Baena Grupo* (EU:C:2012:641), paragraphs 54 and 56).
- 28 It should be remembered, however, that although the Court acknowledged the possibility of an indirect comparison of the designs at issue, it went on to hold merely that the General Court had not erred in basing its reasoning on an imperfect recollection of the overall impression produced by those designs (see *PepsiCo v Grupo Promer Mon Graphic* (EU:C:2011:679), paragraph 58, and *Neuman and Others v José Manuel Baena Grupo* (EU:C:2012:641), paragraph 57).
- 29 Moreover, and as observed by the Advocate General in points 48 to 50 of his Opinion, such an indirect comparison, which is based on an imperfect recollection, is not based on a recollection of specific features from several different earlier designs but of specific designs.
- 30 The arguments put forward by Dunnes do not cast any doubt on the foregoing considerations.
- 31 Thus, regarding, first, the arguments based on recitals 14 and 19 in the preamble to Regulation No 6/2002, which use the expressions ‘the existing design corpus’ and ‘in comparison with other designs’, it should be borne in mind that the preamble to a Community act has no binding legal force and cannot be relied on either as a ground for derogating from the actual provisions of the act in question or for interpreting those provisions in a manner clearly contrary to their wording (*Deutsches Milch-Kontor*, C-136/04, EU:C:2005:716, paragraph 32 and the case-law cited).
- 32 It should be noted in any event that although recital 14 in the preamble to Regulation No 6/2002 refers to the impression produced on an informed user by the ‘existing design corpus’, those terms are not

used in any of the provisions of that regulation.

33 Moreover, neither the use of those terms nor of the wording ‘in comparison with other designs’ in recital 19 in the preamble to Regulation No 6/2002 means that the relevant impression for the purpose of the application of Article 6 of that regulation is the one produced not by one or more earlier designs, taken individually, but by a combination of features taken in isolation and drawn from a number of earlier designs.

34 Furthermore, as regards the reference to ‘combinations of known design features’ in the second sentence of Article 25(1) of the TRIPS Agreement, suffice it to note that that provision is worded in optional terms and that, consequently, the parties to that agreement are not required to provide for the novel character or originality of a design to be assessed in comparison with such combinations.

35 In those circumstances, the answer to the first question is that Article 6 of Regulation No 6/2002 must be interpreted as meaning that, in order for a design to be considered to have individual character, the overall impression which that design produces on the informed user must be different from that produced on such a user not by a combination of features taken in isolation and drawn from a number of earlier designs, but by one or more earlier designs, taken individually.

The second question

36 By its second question, the referring court asks, in essence, whether Article 85(2) of Regulation No 6/2002 must be interpreted as meaning that, in order for a Community design court to treat an unregistered Community design as valid, the right holder of that design is required to prove that it has individual character within the meaning of Article 6 of that regulation, or need only indicate what constitutes the individual character of that design.

37 It is apparent from the very wording of Article 85(2) of Regulation No 6/2002 that, in order for an unregistered Community design to be treated as valid, the right holder of that design is required, first of all, to prove that the conditions laid down in Article 11 of that regulation have been met and, secondly, to indicate what constitutes the individual character of that design.

38 Under Article 11(1) of Regulation No 6/2002, a design which meets the requirements under Section 1 of that regulation is to be protected by an unregistered Community design for a period of three years as from the date on which the design was first made available to the public within the European Union.

39 As indicated by the very heading of Article 85 of Regulation No 6/2002, paragraph 1 thereof establishes a presumption of validity of registered Community designs and, in paragraph 2, a presumption of validity of unregistered Community designs.

40 The implementation of that presumption of validity is, by its very nature, incompatible with the interpretation of Article 85(2) of Regulation No 6/2002 advocated by Dunnes, to the effect that the proof which the holder of a design must make out under that provision, namely that the conditions laid down in Article 11 of that regulation have been met, includes the proof that the design concerned also satisfies all of the conditions laid down in Section 1 of Title II of that regulation, that is to say, Articles 3 to 9 thereof.

41 Similarly, the interpretation of 85(2) of Regulation No 6/2002, read in conjunction with Article 11 of that regulation, as proposed by Dunnes, would have the effect of rendering meaningless and nugatory the second condition, laid down in Article 85(2), that the holder of a design must indicate what constitutes the individual character of that design.

- 42 Nor would that interpretation be compatible with the objective of simplicity and expeditiousness which, as evidenced by recitals 16 and 17 in the preamble to Regulation No 6/2002, underpins the idea of protection of unregistered Community designs.
- 43 In that context, it should be noted that the different procedures provided for in Article 85 of Regulation No 6/2002 with regard to a registered Community design and an unregistered Community design arise from the need to determine, with regard to the latter, the date as from which the design at issue is covered by the protection under that regulation and specifically what is covered, which, as there are no registration formalities, may be more difficult to identify in the case of an unregistered design than for a registered design.
- 44 Moreover, if Article 85(2) of Regulation No 6/2002 were to be interpreted as meaning that an unregistered Community design may be treated as valid only if its holder proves that all of the conditions laid down in Section 1 of Title II of that regulation have been met, the possibility for the defendant to contest the validity of that design by way of a plea or with a counterclaim for a declaration of invalidity, as provided for in the second sentence of Article 85(2), would be rendered largely meaningless and nugatory.
- 45 As regards the second condition set out in Article 85(2) of Regulation No 6/2002, suffice it to note that the wording of that provision, in merely requiring the holder of an unregistered Community design to indicate what constitutes the individual character of that design, is unambiguous and cannot be interpreted as entailing an obligation to prove that the design concerned has individual character.
- 46 Although, given the lack of registration formalities for this category of design, it is necessary for the holder of the design at issue to specify what he wants to have protected under that regulation, it is sufficient for him to identify the features of his design which give it individual character.
- 47 In those circumstances, the answer to the second question is that Article 85(2) of Regulation No 6/2002 must be interpreted as meaning that, in order for a Community design court to treat an unregistered Community design as valid, the right holder of that design is not required to prove that it has individual character within the meaning of Article 6 of that regulation, but need only indicate what constitutes the individual character of that design, that is to say, indicates what, in his view, are the element or elements of the design concerned which give it its individual character.

Costs

- 48 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

- 1. Article 6 of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs is to be interpreted as meaning that, in order for a design to be considered to have individual character, the overall impression which that design produces on the informed user must be different from that produced on such a user not by a combination of features taken in isolation and drawn from a number of earlier designs, but by one or more earlier designs, taken individually.**
- 2. Article 85(2) of Regulation No 6/2002 must be interpreted as meaning that, in order for a**

Community design court to treat an unregistered Community design as valid, the right holder of that design is not required to prove that it has individual character within the meaning of Article 6 of that regulation, but need only indicate what constitutes the individual character of that design, that is to say, indicates what, in his view, are the element or elements of the design concerned which give it its individual character.

[Signatures]

* Language of the case: English.