JUDGMENT OF THE COURT (First Chamber)

2 July 2009 *

In Case C-32/08,

REFERENCE for a preliminary ruling under Article 234 EC from the Juzgado de lo Mercantil nº 1 de Alicante y nº 1 de Marca Comunitaria (Spain), made by decision of 18 January 2008, received at the Court on 28 January 2008, in the proceedings

Fundación Española para la Innovación de la Artesanía (FEIA)

v

Cul de Sac Espacio Creativo SL,

Acierta Product & Position SA,

* Language of the case: Spanish.

THE COURT (First Chamber),

composed of P. Jann, President of the Chamber, M. Ilešič (Rapporteur), A. Tizzano, A. Borg Barthet and E. Levits, Judges,

Advocate General: P. Mengozzi,
Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearing on 29 January 2009,

after considering the observations submitted on behalf of:

— the Fundación Española para la Innovación de la Artesanía (FEIA), by M. J. Sanmartín Sanmartín, abogada,

— Cul de Sac Espacio Creativo SL, by O.L. Herreros Chico, abogado,

— Acierta Product & Position SA, by T. Sánchez Morgado, abogada,

— the United Kingdom Government, by I. Rao, acting as Agent, and S. Malynicz, Barrister,

— the Commission of the European Communities, by I. Martínez del Peral and H. Krämer, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 26 March 2009,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Articles 14(1) and (3) and 88(2) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1, 'the regulation').

2 The reference has been made in the course of proceedings between the Fundación Española para la Innovación de la Artesanía (Spanish Foundation for the Innovation of Craftsmanship) ('the FEIA') and the companies Cul de Sac Espacio Creativo SL ('Cul de Sac') and Acierta Product & Position SA ('Acierta'), relating to the ownership of Community designs for wall clocks.

Legal framework

Community legislation

3 According to recital 1 in the preamble thereto, the regulation seeks to establish 'a Community design to which uniform protection is given with uniform effect throughout the entire territory of the Community'.

4 Recital 8 states:

'Consequently a more accessible design-protection system adapted to the needs of the internal market is essential for Community industries.'

5 Recital 9 states:

'The substantive provisions of this Regulation on design law should be aligned with the respective provisions in Directive 98/71/EC [of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (OJ 1998 L 289, p. 28)].'

6 Recital 16 states:

‘Some [of the sectors of industry in the Community] 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. …’

7 Recital 21 states:

‘the unregistered Community design should … constitute a right only to prevent copying. …’

8 Recital 25 is worded as follows:

‘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 … assignment …’

9 Recital 31 states:

'This Regulation does not preclude the application to designs protected by Community designs of the industrial property laws or other relevant laws of the Member States, such as those relating to design protection acquired by registration or those relating to unregistered designs …'

10 Article 1(2)(a) of the regulation provides:

'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'.

11 While Article 1(3) provides:

'A Community design shall have a unitary character. It shall have equal effect throughout the Community. It shall not be … transferred … save in respect of the whole Community. This principle and its implications shall apply unless otherwise provided in this Regulation.'

12 Title II of the regulation, entitled 'The Law relating to Designs', comprises, inter alia: a section 1, entitled 'Requirements for protection', containing Articles 3 to 9; a section 3, entitled 'Right to the Community design', containing Articles 14 to 18; and a section 5, entitled 'Invalidity', comprising Articles 24 to 36.

13 Article 3(a) defines 'design' as 'the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation'.

14 Article 11, entitled 'Commencement and term of protection of the unregistered Community design', provides in paragraph 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.'

15 Article 14, entitled 'Right to the Community design', provides in paragraphs 1 and 3:

'1. The right to the Community design shall vest in the designer or his successor in title.

…

3. However, where a design is developed by an employee in the execution of his duties or following the instructions given by his employer, the right to the Community design shall vest in the employer, unless otherwise agreed or specified under national law.'

16 Article 19, entitled 'Rights conferred by the Community design', provides in paragraph 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.'

17 Article 25, entitled 'Grounds for invalidity', provides in paragraph 1(c) that a Community design may be declared invalid only 'if, by virtue of a court decision, the right holder is not entitled to the Community design under Article 14'.

18 Article 27, entitled 'Dealing with Community designs as national design rights', provides in paragraph 1:

'Unless Articles 28, 29, 30, 31 and 32 provide otherwise, a Community design as an object of property shall be dealt with in its entirety, and for the whole area of the Community, as a national design right of the Member State in which:

(a) the holder has his seat or his domicile on the relevant date; or

(b) where point (a) does not apply, the holder has an establishment on the relevant date.'

19 Title IX, entitled 'Jurisdiction and procedure in legal actions relating to Community designs', contains a section 2, entitled 'Disputes concerning the infringement and validity of Community designs', in which Article 88 appears.

20 Article 88, entitled 'Applicable law', provides in paragraphs 1 and 2:

'1. The Community design courts shall apply the provisions of this Regulation.

2. On all matters not covered by this Regulation, a Community design court shall apply its national law, including its private international law.'

21 Article 96, entitled 'Relationship to other forms of protection under national law', provides in paragraph 1:

'The provisions of this Regulation shall be without prejudice to any provisions of Community law or of the law of the Member States concerned relating to unregistered designs …'

22 According to recital 3 in the preamble thereto, Directive 98/71 seeks to approximate the design protection laws of the Member States.

23 Article 2 of that directive states that the directive is to apply, inter alia, to design rights registered with the central industrial property offices of the Member States or at the Benelux Design Office.

24 Article 11(1)(c) of Directive 98/71 provides:

'A design shall be refused registration, or, if the design has been registered, the design right shall be declared invalid:

…

(c) if the applicant for or the holder of the design right is not entitled to it under the law of the Member State concerned …'.

National legislation

25 Law 20/2003 on the Legal Protection of Industrial Designs (ley 20/2003, de Protección Jurídica del Diseño Industrial) of 7 July 2003 (BOE No 162 of 8 July 2003, p. 26348, the 'LPJDI') only makes provision for registered designs.

26 Article 14(1) of the LPJDI provides that '[t]he right to register the design shall vest in the designer or his successor in title'.

27 Article 15 of the LPJDI, entitled, 'Designs developed in the context of an employment relationship or contract for services', provides:

'Where a design has been developed by an employee in the execution of his duties or following the instructions given by his employer, or as a result of a commission in the context of a contract for services, the right to register the design shall vest in the employer or the party who commissioned the design under the contract, unless otherwise specified in the contract.'

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

28 The FEIA designed a project known as 'D'ARTES', in which 50 skilled workshops in various sectors could produce, by means of a design project executed by a professional in the field, a family of objects to be placed on the market.

29 The company AC&G SA ('AC&G'), as organiser of the project, set the parameters of the D'ARTES project and was given responsibility for selecting the designers and concluding agreements with them.

30 It is against that background that AC&G entered into an oral agreement with Cul de Sac, which was not subject to the Spanish Labour Code, under which Cul de Sac was responsible for developing a design and providing technical assistance to a craftsman with a view to the creation by him of a new collection of products. As payment for its services, Cul de Sac received from AC&G the sum of EUR 1 800 plus VAT.

31 Cul de Sac designed a series of wall clocks (cuckoo clocks) which were manufactured, in the context of the D'ARTES project, by the craftswoman Verónica Palomares, and released in April 2005 as part of the 'Santamaría' collection.

32 Cul de Sac and Acierta subsequently produced and placed on the market cuckoo clocks as part of the 'TIMELESS' collection.

33 Since the FEIA took the view that those cuckoo clocks were a copy of the unregistered Community designs — which went to make up the 'Santamaría' collection, which it claims to own both because of its position as sponsor and main source of finance for the D'ARTES project and the assignment to it by AC&G of the exclusive rights to exploit the products produced in the first D'ARTES series, the FEIA brought an action against Cul

de Sac and Acierta for the infringement of the Community designs referred to, and, in the alternative, for acts of unfair competition.

34 The FEIA submits in particular that it owns the unregistered Community designs for the clocks in the 'Santamaría' collection, in accordance with Article 15 of the LPJDI, inasmuch as they were developed by Cul de Sac in response to an order from AC&G which was acting as the FEIA's 'disclosed' agent, in the context of a contract for services.

35 Cul de Sac and Acierta dispute that AC&G and/or the FEIA have been or are the proprietors of those designs, and consequently that the FEIA has standing to bring the action.

36 The Juzgado de lo Mercantil nº 1 de Alicante y nº 1 de Marca Comunitaria (Commercial Court No 1 of Alicante and Community Trade Mark Court No 1) finds that the FEIA may assert ownership of the designs in question in the main proceedings only if AC&G, which purportedly assigned such ownership to it, itself owned the right to those designs.

37 In those circumstances, the Juzgado de lo Mercantil nº 1 de Alicante y nº 1 de Marca Comunitaria decided to stay the proceedings and refer the following questions to the Court for a preliminary ruling:

'(1) Must Article 14(3) of Regulation No 6/2002 be interpreted as referring only to Community designs developed in the context of an employment relationship where the designer is bound by a contract governed by employment law whose provisions are such that the designer works under the direction and in the employ of another? or

(2) Must the terms "employee" and "employer" in Article 14(3) of Regulation No 6/2002 be interpreted broadly so as to include situations other than employment relationships, such as a relationship where, in accordance with a civil/commercial contract (and therefore one which does not provide that an individual habitually works under the direction and in the employ of another), an individual (designer) undertakes to execute a design for another individual for a settled price and, as a result, it is understood that the design belongs to the person who commissioned it, unless the contract stipulates otherwise?

(3) In the event that the answer to the second question is in the negative, on the ground that the production of designs within an employment relationship and the production of designs within a non-employment relationship constitute different factual situations:

(a) Is it necessary to apply the general rule in Article 14(1) of Regulation No 6/2002 and, consequently, must the designs be construed as belonging to the designer, unless the parties stipulate otherwise in the contract? or

(b) Must the Community design court rely on national law governing designs in accordance with Article 88(2) of Regulation No 6/2002?

(4) In the event that national law is to be relied on, is it possible to apply national law where it places on an equal footing (as Spanish law does) designs produced in the context of an employment relationship (the designs belong to the employer, unless it has been agreed otherwise) and designs produced as a result of a commission (the designs belong to the party who commissioned them, unless it has been agreed otherwise)?

(5) In the event that the answer to the fourth question is in the affirmative, would such a solution (the designs belong to the party who commissioned them, unless it has been agreed otherwise) conflict with the negative answer to the second question?'

The questions referred to the Court

The first and second questions, concerning the scope of Article 14(3) of the regulation

38 By those questions, which should be examined together, the national court asks, in essence, whether Article 14(3) of the regulation applies also to Community designs which have been produced as a result of a commission and therefore outside that employment relationship.

Observations submitted to the Court

39 The FEIA and the United Kingdom Government submitted that Article 14(3) of the regulation should apply to commissioned designs, taking the view that that provision, and in particular the terms 'employer' and 'employee' to which it refers, must not be interpreted solely on the basis of the wording of that provision, but also in the light of the overall scheme and objectives of the system of which it forms part.

40 The Commission of the European Communities, Cul de Sac and Acierta propose, on the other hand, that the rule contained in Article 14(3) of the regulation should apply exclusively to the designs produced in the context of an employment relationship.

41 Acierta and the Commission also argue that Article 14(3) contains a derogation or an exception to the general principle set out in Article 14(1), which, as such, may not be interpreted widely or applied by way of analogy to situations not expressly provided for.

42 The Commission maintains, lastly, that the proposed interpretation is confirmed by the drafting history and the procedure by which the regulation was adopted and is consistent with the Community and international rules on other industrial property rights.

The Court's reply

43 As is clear from Article 14(1) of the regulation, the right to the Community design vests in the designer or his successor in title.

44 On the other hand, according to Article 14(3) the right to the Community design vests in the employer where a design is developed by an employee in the execution of his

duties or following the instructions given by his employer, unless otherwise agreed or specified under national law.

45 Accordingly, the arguments of the FEIA and the United Kingdom Government that the terms 'employer' and 'employee', in particular, in Article 14(3) must be interpreted broadly in order to apply also to commissioned designs, must be rejected.

46 In that connection, it should be pointed out that by Article 14(3) the Community legislature has provided for a special system for Community designs developed in the context of an employment relationship.

47 That is clear in particular from the fact that, when drafting Article 14(3), it decided to use the term 'employer' to refer to the proprietor of the Community design developed in the context of an employment relationship rather than the much broader term 'principal'.

48 Moreover, it appears from the wording of Article 14(3) of the regulation that ownership of the Community design vests in the 'employer' where the design is developed by an 'employee' in the execution of his duties or following the instructions given by his employer.

49 As regards the term 'employee', it should be pointed out similarly that in Article 14(3) the Community legislature did not decide to use the much broader term 'agent' to refer

to the person who develops a design. Accordingly, the term 'employee' refers to the person who works under the instructions of his 'employer' when developing a Community design in the context of an employment relationship.

50 As regards the part of Article 14(3) which states 'unless otherwise agreed or specified under national law', it must be pointed out that this enables the parties to an employment contract to designate 'the employee' as the proprietor of the design, and gives the Member States the option of stipulating in their national legislation that the 'employee' is to be the proprietor of a Community design, provided that in both those cases the design has been developed in the context of an employment relationship.

51 It follows that the Community legislature intended to define the special system set out in Article 14(3) of the regulation by reference to a specific type of contractual relationship, namely that of an employment relationship, which precludes the application of Article 14(3) to other contractual relationships, such as that relating to a Community design that has been produced as a result of a commission.

52 That interpretation is, moreover, confirmed by the drafting history of the regulation.

53 In that connection, the Commission contends that it is stated in the explanatory memorandum to the proposal for a European Parliament and Council Regulation on the Community Design (COM (93) 342 final of 3 December 1993) that the right to a Community design belongs to the employer where the design has been produced by an employed designer in the execution of his duties under the employment contract.

54 Moreover, according to the Commission's arguments, and as can be seen from points 27 to 32 of the Advocate General's Opinion, although the Commission's first proposal for a regulation contained both a provision on the ownership of a Community design developed by an employee and an express provision on the ownership of a Community design that has been produced as a result of a commission, the latter provision was not retained in the regulation.

55 In the light of all the above considerations, the answer to the first and second questions is that Article 14(3) of the regulation does not apply to a Community design that has been produced as a result of a commission.

Part (a) of the third question, on the interpretation of Article 14(1) of the regulation

56 By that question, the national court asks, in essence, whether Article 14(1) of the regulation must be interpreted as meaning that the right to a Community design vests in the designer unless it has been assigned by way of contract to his successor in title.

Observations submitted to the Court

57 The FEIA submits that Article 14 must be interpreted as a whole in the light of the regulation's objectives and taking into account the legislature's intention to create only minimal regulation in the field. The FEIA refers in particular to Articles 27, 88 and 96 of the regulation, which contain a reference to the national laws and allow them to provide a more comprehensive protection of Community designs than that laid down by the

regulation, and to recitals 6, 8 and 9 in the preamble thereto, which refer to the requirements concerning compliance with the principles of subsidiarity and proportionality, and set out the objective of aligning the substantive provisions of the regulation with those of Directive 98/71.

58 The FEIA also proposes that the term 'successor in title' in Article 14(1) of the regulation should be interpreted as referring to the various possible means of acquiring a right to the design provided for in the laws of the Member States, including that laid down in the LPJDI in favour of the person commissioning the design.

59 The Commission, Acierta and Cul de Sac maintain that Article 14(1) of the regulation contains a general provision in favour of conferring the right to the design on its creator. The only exception to that rule appears in Article 14(3) and concerns the specific case of designs developed by an employee in the context of an employment relationship. There is therefore no gap in the regulation as regards determining the ownership of the right to the Community design.

60 Acierta and Cul de Sac argue that the right to the Community design may be assigned to the successor in title by way of contract.

61 The United Kingdom Government argues that Article 14(1) of the regulation makes no provision for the case of the proprietor of a commissioned design. Accordingly, it takes the view that the Member States may apply their national laws on unregistered designs, in accordance with recital 31 and Article 88(2) of the regulation.

The Court's reply

62 First of all, it should be borne in mind that, in the present case, the Court is only asked to rule on the case where, on the one hand, there are unregistered Community designs produced as a result of a commission, and on the other, the LPJDI does not deem such designs to be the same as designs developed in the context of an employment relationship.

63 Thus, it follows from the need for uniform application of Community law and from the principle of equality that the terms of a provision of Community law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the Community, having regard to the context of the provision and the objective pursued by the legislation in question (see, inter alia, Case 327/82 *Ekro* [1984] ECR 107, paragraph 11; Case C-287/98 *Linster* [2000] ECR I-6917, paragraph 43; and Case C-316/05 *Nokia* [2006] ECR I-12083, paragraph 21).

64 That is the case for the terms 'designer' and 'successor in title' in Article 14 of the regulation.

65 If those terms were to be interpreted differently in the various Member States, the same circumstances could mean that in some Member States the right to the Community design belongs to the designer, and in others to his successor in title. In that case, the protection afforded to the Community designs would not be uniform throughout the entire area of the Community (see, by analogy, *Nokia*, paragraph 27).

66 It is therefore essential that those terms be given a uniform interpretation within the Community legal order.

67 That interpretation is borne out by recital 1 in the preamble to the regulation, which states that '[the] unified system for obtaining a Community design … is given [uniform protection] with uniform effect throughout the entire territory of the Community …'.

68 It is also clear from Article 1(3) of the regulation that the design is not to be transferred save in respect of the whole Community, unless otherwise provided in the regulation.

69 As regards, more particularly, the transfer of the right to a Community design from the designer to his successor in title within the meaning of Article 14(1) of the regulation, it should be noted that, as pointed out in essence by the FEIA, Cul de Sac and Acierta, the possibility of such a transfer is implicit from the wording of that article.

70 In addition, such an interpretation follows expressly from the term 'successor in title' in some language versions, such as the German, French, Polish, Slovenian and Swedish versions which refer to 'Rechtsnachfolger', 'ayant droit', 'następcy prawnemu', 'pravni naslednik' and 'den till vilken rätten har övergått' respectively.

71 Such a transfer includes contractual assignment.

72 It is clear from the drafting history of the regulation, as the Advocate General notes at points 46 to 50 of his Opinion, that the designer may transfer the right to a Community design to his successor in title by way of contract.

73 That interpretation is supported by recitals 8 and 15 in the preamble to the regulation which emphasise the need to adapt the protection of Community designs to the needs of all sectors of industry in the Community.

74 In addition, it is essential, for the purposes of protecting unregistered Community designs in particular, to uphold the right to prevent the copying of those designs, in accordance with recital 21 and Article 19(2) of the regulation.

75 Apart from individual designers referred to in recital 7, it follows from recitals 16 and 25 that some sectors of industry in the Community may also be the producers of unregistered Community designs.

76 In such circumstances, it cannot be ruled out, as the United Kingdom Government has in essence pointed out, that the successor in title is financially a stronger party than the designer and has more means at its disposal in order to commence proceedings with a view to preventing those designs from being copied.

77 Accordingly, adapting the protection of Community designs to the needs of all sectors of industry in the Community, as set out in recitals 8 and 15 in the preamble to the regulation, by means of a contractual assignment of the right to the Community design is likely to help to achieve the essential objective of the enforcement of the rights conferred by a Community design in an efficient manner throughout the territory of the Community, as set out in recital 29.

78 Moreover, in accordance with recital 7, enhanced protection for industrial design not only promotes the contribution of individual designers to the sum of Community excellence in the field, but also encourages innovation and development of new products and investment in their production.

79 It follows from the above that the possibility of assigning by way of contract the right to the Community design from the designer to his successor in title within the meaning of Article 14(1) of the regulation is consistent with both the wording of that article and the aims of the regulation.

80 It is, however, for the national court to ascertain the contents of such a contract and in that regard to determine whether the right to the unregistered Community design has in fact been transferred from the designer to his successor in title.

81 The above considerations clearly do not preclude the national court, in the context of that assessment, from applying the law on contracts in order to determine who owns the right to the unregistered Community design, in accordance with Article 14(1) of the regulation.

82 In the light of all the above considerations, in circumstances such as those of the main proceedings, the answer to part (a) of the third question is that Article 14(1) of the regulation must be interpreted as meaning that the right to the Community design vests in the designer, unless it has been assigned by way of contract to his successor in title.

Part (b) of the third question, and the fourth and fifth questions

83 In the light of the answer to part (a) of the third question, it is not necessary to answer part (b) of that question, or the fourth or fifth questions.

Costs

84 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 (First Chamber) hereby rules:

1. Article 14(3) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs does not apply to Community designs that have been produced as a result of a commission.

2. In circumstances such as those of the main proceedings, Article 14(1) of Regulation No 6/2002 must be interpreted as meaning that the right to the Community design vests in the designer, unless it has been assigned by way of contract to his successor in title.

[Signatures]