

II – Cases of ownership problems of overlaps

A. The case of trade marks & designs

The visual appearance of a certain product can, and often is, simultaneously protected by copyright, design and trade mark rights.¹⁴¹ It is thus easy to understand why this area is such fertile grounds for overlaps.¹⁴²

In this section I will focus on the interaction between designs and trademarks, as they provide an example of two unitary regimes overlapping.¹⁴³

The protection under both IPRs arises out of registration. The owner of the IPR is the one in whose name the IPR is registered. In the case of designs there is no prior examination¹⁴⁴ and regarding Community trade marks it is limited to absolute grounds for refusal.¹⁴⁵

In this overlap the main criterion to deal with the conflicts is priority in time.¹⁴⁶

Prior design

If someone holds earlier rights constituting a relative ground for refusal of a trade mark¹⁴⁷ (s)he might file an opposition.¹⁴⁸ It should however be noted that the earlier rights that can be invoked in an opposition are limited to

141 And, to different extents, the provisions of unfair competition.

142 A Ohly, Areas of Overlap Between Trade Mark Rights, Copyright and Design Rights in German Law [2007] GRUR Int 704, 707.

143 The considerations are *grosso modo* applicable to the national harmonized systems. Very critical of this cumulation he calls a pro-monopolistic solution see G Ghidini, (n 16) 55.

144 Art. 45 CDR.

145 Art. 37 CTMR. In the EU 12 national offices differ from the OHIM in this regard, also conducting *ex officio* examination of relative grounds (cf. Max Planck Institute, 'Study on the Overall Functioning of the European Trade Mark System' available at <http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf> 18.).

146 F Verkade (n 19) 71.

147 Art. 8 CTMR.

148 Art. 41 CTMR.

registered trade marks, applications for registration,¹⁴⁹ non-registered trade marks or “another sign used in the course of trade of more than mere local significance”. This applies if the rights to that sign were (1) acquired prior to the date of application for registration of the Community trade mark, or the date of priority, and (2) that sign confers on its proprietor, according to its applicable law, the right to prohibit the use of a subsequent trade mark.¹⁵⁰ As stated in the OHIM Manual Concerning Opposition:¹⁵¹ “In order for such signs to come within the ambit of article 8(4) they must have an identifying function, that is, they must primarily serve to identify in trade a business (business identifiers) or a geographical origin (geographical indications). (...) it does not cover other types of IPRs that are not ‘signs’”. Therefore, a prior design does **not** constitute a relative ground for **refusal**. It is, nonetheless, a relative ground for **invalidity**.¹⁵² The scope of the invoked right¹⁵³ must cover the trade mark, i.e., the design owner can only invalidate the trade mark if its use would infringe his design right.¹⁵⁴

Pursuant to art. 53(3) CTMR, a CTM “may not be declared invalid where the proprietor of a right referred to in paragraphs 1 or 2 consents expressly to the registration of the Community trade mark before submission of the application for a declaration of invalidity or the counterclaim.” In the words of David Keeling:¹⁵⁵ “[the owner] cannot lead the other party on a merry dance by first agreeing to the registration and then asking for it to be cancelled”. However, the text is too restrictive as “express” consent is re-

149 Art. 8 (2) CTMR.

150 Art. 8 (4) CTMR. For a list of these signs cf Manual of Trade Mark Practice, C.4. available at <http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/manual/part_c_part_4_rights_under_article%208-4.pdf> accessed 12 August 2013.

151 Ibid, 6.

152 Stating that for copyright see T-435/05 *Danjaq v OHMI – Mission Productions (Dr. No)* [2009] ECR II-2097 para 41.

153 Art. 53 (2) CTMR contains a non-exhaustive list earlier rights capable of prohibiting the use of a trademark. Copyright is mentioned in subheading (c); designs are considered industrial property rights, thus covered by subheading (d).

154 The criterion is therefore the one of design law.

155 in C Gielen and V Bombhard (eds), *Concise European trade mark and design law* (Wolters Kluwer 2011) 165.

quired.¹⁵⁶ This apparently prevents the possibility of implied consent.¹⁵⁷ It is submitted that although *express consent to the registration* is required, there might be an *implied licence to use* the design in commerce. If the design owner consents to the registration of his design as trademark by a third party, it is most likely that the use is also allowed. Any other solution would be illogical and against good faith.

If no invalidity proceedings are started within 5 years the use is tolerated and there will be coexistence, unless the registration was done on bad faith.¹⁵⁸

In cases where such an implied license is not accepted it is also possible to draw on the broader notions of good faith¹⁵⁹ to claim abuse of rights.¹⁶⁰ It would constitute contradictory behaviour for a licensor, despite having only assigned design rights, to enforce his copyright against the licensee; an idea akin to licensee estoppel, the doctrine developed in patent law according to which the licensee can be barred from challenging the validity of the

156 Ibid (Although there is not written requirement there are obvious probatory difficulties).

157 It seems that consent is not exactly synonymous with licence. Consent would be broader and less demanding, licence would mean legally granted authorization.

158 Article 54 CTMR, on acquiescence is silent regarding the rights mentioned in art. 53(2) CTMR (D Keeling (n 155) 167 considers it puzzling), but art. 110(1) CTMR deems it applicable. It must further be added that proof of knowledge is required but in our scenario that will usually be the case.

159 For a synthesis departing from answers to 30 specific cases see S Whittaker and R Zimmerman, ‘Coming to terms with good faith’ in S Whittaker and R Zimmerman (eds) *Good faith in European contract law* (CUP 2000) 654, 697 (after reviewing most legislation’s existing notion of abuse, the Author’s state that although the English legal tradition is very resistant to the notion of abuse of rights, its reliance on equity, spite “domesticated long ago” still plays a role in the correction of the “harshness of the law”).

160 The preclusive effect is expressly stated v.g. in art. 334 of the Portuguese Civil Code, art. 281 of the Greek Civil Code and § 226 BGB (even though, due to the very narrow interpretation of this article, § 242 BGB, referring to duties of good faith, is the norm used for the general principle (H Köhler, *BGB Allgemeiner Teil* (35th edn, C.H. Beck 2011) 253)) or in case law (e.g. France). The principle has also been developed by the CJEU. For a brief and comparative perspective on the notion see (with further references) A Lenaerts, ‘The General Principle of the Prohibition of Abuse of Rights: A Critical Position on Its Role in a Codified European Contract Law’ 6 (2010) ERPL 1121. On the abuse of rights connected to the late exercise of IPRS see T Steinke, *Die Verwirkung im Immaterialgüterrecht* (V&R unipress 2006); P M Stier, *Laches und equitable estoppel im U.S.-amerikaschinen und Verwirkung im deutschen Patent- und Urheberrecht* (Carl Heymanns 2004).

licensor's patent.¹⁶¹ In a recent case this line of argumentation was summarily rejected by the Cancellation Division of OHIM.¹⁶²

Prior trade mark

If there is a prior trade mark, most of the times the design will be invalid due to the lack of novelty or, at least, individual character.¹⁶³ Besides, the trade mark (or other distinctive sign) owner (25(3) CDR) can also invalidate the design on the basis of article 25(1)(e) CDR¹⁶⁴ within the limits of his *ius prohibendi*, i.e. the use of the trade mark in the design¹⁶⁵ must be an infringing one.¹⁶⁶ However, due to the abstract nature of design protection,¹⁶⁷ in matters of invalidity, the principle of specialty is of no relevance.

161 M Jones, 'Licensee Estoppel: an overview of the position under English and European law' [2007] JIPLP 750.

162 See below n 201 and accompanying text.

163 Art. 25(1)(b) CDR. It is nonetheless possible to have a non-invalidating disclosure in the cases of "obscure sources" (art. 7 CDR). This provision has recently been interpreted very restrictively in Case ICD 8721, Invalidity Division 14 May 2013 paras 42 ff. The BGH has recently referred for preliminary ruling a set of questions that also cover the scope of article 7 (Case C-479/12, *Gautzsch Großhandel*; see H Hartwig, 'Unregistered and registered Community design rights: further guidance expected from CJEU' [2013] JIPLP 241). In this regard the General Court has recently held that the mere registration suffices to destroy novelty (Case T-666/11 *Danuta Budziewska v OHIM – Puma* (GC 7 November 2013) (only available in French and Polish) paras 24-26).

164 For an in-depth analysis of the article see M Kolasa, *The Scope and Limits of Protection for Distinctive Signs against the Community Design* (Nomos 2012).

165 The scope of this provision is therefore broader than overlaps as defined *supra* (text accompanying n12) as it can relate to different objects and even different products.

166 Case T-608/11 Beifa Group II (GC 27 June 2013) para 83; Case T-55/12 *Su-Shan Chen* (GC 25 April 2013) para 23; Case T-148/08 *Beifa Group v OHIM – Schwan-Stabilo Schwanhäußer (Instrument d'écriture)* [2010] ECR II-1681 paras 50, 94-95; also M Kolasa, (n 164) 31.

167 Art. 36(6) CDR; C-H Massa and A Strowel, 'Community Design: Cinderella revamped' [2003] EIPR 68, 71 ("...design may arguably protect one appearance regardless of the product embodying it. This goes far beyond any "speciality of goods" principle").

vance.¹⁶⁸ Thus, the question will be only similarity of signs; similarity of goods is irrelevant.

The tests differ: whilst under art. 25(1)(b) CDR the perspective is the overall impression of the design as perceived by the informed user, the approach under 25(1)(e) is one of trade mark infringement, using the perspective of the relevant consumer.¹⁶⁹

There is no equivalent provision to article 53(3) CTMR which paradoxically might lead to wider solutions regarding implied licence and consent.

Additionally, if the owner of the trade mark also qualifies as the designer, (s)he has the further possibility of either claiming ownership of the registered design in national courts¹⁷⁰ or, on the basis of a national court ruling, invalidate the design.¹⁷¹

Summary:

The conflicts between community trade marks and community designs are dealt with by the principle of priority in time. If there is a prior design, its owner cannot oppose the registration of the trademark but can file an invalidity action, pursuant to art. 53(2) CTMR. In case there is a prior trade mark, its owner can file an invalidity claim based both on article 25(1)(b) and 25(1)

168 A different option would be to pay attention (for this purpose) either to the Locarno classification or to the foreseeable use of a specific design. If, in any case, attention would be given to these aspects I believe it should be in a *de minimis* fashion, only if the foreseeable use is clearly different from the prior trade mark's scope.

169 Case *Su-Shan Chen* (n 166) paras 24, 36-65 (with a thorough analysis of trade mark law infringement criteria); M Kolasa, (n 164) 70-71. G Ghidini, (n 16) 62-63 suggests that in substance the tests are the same. In Joined Cases C-101/11 P and C-102/11 P *Herbert Neuman and Others v José Manuel Baena Grupo SA* (CJEU 18 October 2012) the applicant owned a prior trade mark and accordingly relied on both grounds but ended appealing only on the basis of art. 25 (1)(b) CDR, hence the CJEU rejected 25(1)(e) on procedural grounds (paras 71-72). However, instead of considering the trade mark as a prior design and applying the respective criteria, the Court relied on the imperfect recollection test, typical of trade mark. As H Hartwig, 'the Court of Justice: "Seated Figure"' [2013] IIC 248, 253, points out this decision "unnecessarily blurs the boundaries between trade mark and design law".

170 Art. 15 CDR. The design has to be claimed in a period of three years from publication (art. 15(3)). On this rule see below II.C.

171 Art. 25(1)(c) CDR. Pursuant to art. 25(2) only the designer can raise this ground of invalidity.

(e) CDR. Pursuant to arts. 110 and 54 CTMR acquiescence might occur in case no action is taken against the trade mark for five consecutive years and the registration of the second trade mark was not done in bad faith. The text of article 53(3) CTMR seems to constrain the use of implied licences; however it is submitted that express consent is only required for registration, whereas it might be implied for use. There is no equivalent provision in the CDR, which deems it more flexible regarding implied licences.

B. The case of trade marks & copyright

Reflecting their disparate objectives the configuration of copyright and trade mark laws is significantly different.¹⁷² In many ways trade mark protection is dynamic (the sign as understood at present),¹⁷³ whereas copyright protection is static (the work as expressed/fixated at the time of creation). Trade mark protection aims at protecting consumers against confusion in the marketplace¹⁷⁴ and relies on the principle of specialty,¹⁷⁵ so its blocking effect is limited. On the other hand copyright protection does not depend on commercial use and is not limited to a certain field of activity, whilst its infringement, in contrast with the objective protection of trade marks, requires proof of copying.¹⁷⁶ In the EU trade mark rights are acquired through registration¹⁷⁷ whereas copyright comes into existence with the act of cre-

172 G Dinwoodie, 'Trademark and copyright' (n 5) 517; C Mende and B Isaac, 'When copyright and trademark rights overlap' in N Wilkof and S Basheer (eds) (n 10) 137, 144; A Kur, 'Exceptions to Protection' (n 14) 597 fn8.

173 It is very much dependant on the meaning consumers attribute to a certain sign throughout time. This is reflected in notions such as acquired distinctiveness or genericism.

174 A Kur and T Dreier (n 58) 157 ff.

175 Art. 9 CTMR, with the exception for well-known trademarks. On the topic see I S Fhima, *Trade mark dilution in Europe and the United States* (OUP 2011).

176 n 40.

177 Without prejudice to the unregistered trademark protection that is granted in some countries, like Germany (§ 4(2) of the *MarkenGesetz*) on the basis of use.

ation¹⁷⁸ or fixation,¹⁷⁹ without any additional formalities.¹⁸⁰ In spite of these remarkable differences, there is a big potential for content overlap.¹⁸¹ In fact, French courts have gone as far as protecting single words under copyright.¹⁸²

Due to the respective operative events (creation or fixation vs. registration) copyright in a very specific work will always be prior in time over trade mark protection. However, the work might be based on a previous trademark, a very common situation when it comes to changing the graphic presentation of a mark (e.g. Google's Doodles), using it in advertisement (like Absolut vodka does) or rebranding. That situation does not constitute a real overlap as the prior trademark will not cover exactly the same object.¹⁸³ Nonetheless the trademark right is prior and its scope does cover certain uses of the secondly created work. Within its protective scope, the trade mark can prevent the exploitation of such work.¹⁸⁴

What was said regarding the trade mark/design overlap applies *mutatis mutandis* to the overlap with copyright.¹⁸⁵ *If the owners are different, then the prior right will prevail.*¹⁸⁶ In this case, further difficulties accrue as there is no mandatory copyright registration and the copyrightability of specific

178 L-111-1; E Ulmer (n61) 129 (the UrhG does not expressly state it).

179 Section 3(2) and 3(3) of the CDPA; W Cornish, D Llewlyn and T Aplin, (n 32) 463. This is yet another difference between copyright and *droit d'auteur* systems (S V Lewinski (n 70) 44). See also Y Gendreau 'Le critère de fixation en droit d'auteur' 159 (1994) RIDA 111 (providing an analysis of the two systems in this regard and concluding that the requirement of fixation often leads to contradictory results). It should however be noted that even in *droit d'auteur* systems some works, like choreography require fixation in order to enjoy protection.

180 Art. 5(2) 1st sentence BC. S V Lewinski (n 70) 117-120.

181 As E Derclaye and M Leistner (n 10) 48-49 demonstrate.

182 Ibid 130.

183 Cf n 12 and accompanying text.

184 The analysis is layered; A Ohly, 'Areas of Overlap' (n 142) 706-707 'First, the mark may not have been used in the course of trade, Second, a purely or artistic or ornamental use may not be regarded as trade mark use (...). Thirdly, the constitutional guarantee of the freedom of the art (...) may provide a defence.'

185 Cf BoA decision of 6 July 2005 R869/2004-1 *Gallo Winery* (invalidating a CTM on the basis of prior copyright).

186 A Ohly, 'Areas of Overlap' (n 142) 706; J Jankowski (n18) 60-62.

signs (like titles,¹⁸⁷ characters,¹⁸⁸ shapes or slogans,¹⁸⁹ and the applied arts in general)¹⁹⁰ is of a dubious nature, varying according to jurisdiction.¹⁹¹ Assessing if there is copyright and who is its owner will pose additional challenges to someone who wants to use a work as a trade mark.

In the leading case *Griggs v Evans*,¹⁹² Griggs had commissioned an advertising agency to produce a new logo by combining two previously existing ones. This new logo was designed by Evans, a free-lancer,¹⁹³ who claimed ownership of the copyright in the logo. Later on Evans transferred his copyright to a competitor of Griggs, Raben.¹⁹⁴ In light of this assignment

¹⁸⁷ See the excellent synthesis of J Klink, 'Titles in Europe' [2004] EIPR 290. Recently the General Court held (Case T-435/05 (n152)) that the title of the 007 movie "Dr no" did not indicate commercial origin but rather artistic origin of the film (para 25). Very critical of this decision see P Reeskamp, 'Dr No in trade mark country: a Dutch point of view' [2010] JIPLP 29.

¹⁸⁸ R Graef, 'Die fiktive Figur im Urheberrecht' [2012] ZUM 108; A-V Gaide, 'Copyright, Trademarks and Trade Dress: Overlap or Conflict for Cartoon Characters?' in J Ginsburg and J Besek (eds) (n 5) 552.

¹⁸⁹ J Davies and A Durant, 'To protect or not to protect? The eligibility of commercially-used short verbal texts for copyright and trade mark protection' [2011] IPQ 345. Allowing its protection under trade mark see e.g. Case C-353/03 *Société des produits Nestlé SA v Mars UK Ltd* [2005] ECR I-6135 ("have a break") and Case C-398/08 P Audi AG v OHIM [2010] ECR I-535 ("Vorsprung durch Technik").

¹⁹⁰ See also below II.C.

¹⁹¹ For instance, traditionally German courts would apply more stringent requirements for copyright protection of applied arts (§ 2(1)(4) UrhG). These were distinguished from the fine arts by their intended use (*Gebrauchsziel*) and their form of production (T Dreier and G Schulze (n 13) § 2 rm158). Regarding applied arts there was a stricter requirement of originality (see notably BGH [1995] GRUR 581 *Silberdiestel*). Hence, it was likely that, unless they were classified as pure art, few logos or slogans would enjoy copyright protection. (E Derclaye and M Leistner (n 10) 240). Of course that, as stated in the *Silberdiestel* decision, the higher requirement of originality was accompanied by a lower threshold in the field of unfair competition: competitive individuality (*wettbewerbliche Eigenart*) which in some cases led to the same practical result in protecting against imitation). However, on 13 November 2013 the BGH (I ZR 143/12 – *Geburtstagzug*) abandoned this double standard (*Stufentheorie*). It justified that change not on the basis of EU copyright law but due to 2004 reform of German design law. Defending the double standard in the context of the design/copyright overlap see E Derclaye and M Leistner (n 10) 236. On the debate on originality in the EU see n 225 .

¹⁹² n 30 .

¹⁹³ Ibid [11]. Thus the work for hire provision was not applicable.

¹⁹⁴ At [12] it is said "While it might not be strictly accurate to say they are a competitor of Griggs, it is clear that they must be regarded as an enemy".

and some litigation in Australia, Griggs started an action seeking an order that the copyright would be formally assigned to him.¹⁹⁵

Applying the copyright statute the Court concluded that Griggs was indeed the owner of copyright, but immediately added:¹⁹⁶

“However, it is well established that this refers to the *legal* title to the copyright. But it is possible for a person to own the legal title to property, not for his own benefit, but for the benefit of another person. That other person is said to be the owner in *equity*. It is well established that the section 11 of the Copyright Act does not purport to legislate for equitable ownership, which is left to a well-established body of rules that have been built up by the courts over many generations. For example, suppose a free-lance designer orally agrees with a company that he shall create a website for use in its business, for payment, and on terms that the copyright shall belong to the company. Because the designer is not an employee of the company the legal title to the copyright belongs to him, because the Copyright Act says so; but the equitable title belongs to the company. This means that the designer can be called upon to assign the legal title to the copyright to the company; and, if he refuses, the law will compel him to do so”

And the Court proceeded to consider the law on implied terms of contract, stating:¹⁹⁷

“It seems to me that when a free-lance designer is commissioned to create a logo for a client, the designer will have an uphill task if he wishes to contend that he is free to assign the copyright to a competitor. This is because, in order to give business efficacy to the contract, it will rarely be enough to imply a term that the client shall enjoy a mere licence to use the logo, and nothing more. In most cases it will be obvious, it will “go without saying”, that the client will need further rights. He will surely need some right to prevent others from reproducing the logo”.

After analysing the specific circumstances in which the logo had been created Peter Prescott QC gave judgement for Griggs, granting him equitable ownership of the copyright¹⁹⁸ and confessed to be “glad to do so. The proposition that the copyright in this important logo belongs to Raben is one that

195 Ibid [14].

196 Ibid [33].

197 Ibid [36].

198 A second judgement ([2005] 2 WLR 513) followed on whether the determination of equitable ownership also covered foreign copyrights. The answer was in the affirmative. This approach was later followed in *Lucasfilms Ltd v Ainsworth* [2009] EWCA Civ 1328 [163].

[he] find[s] astonishing".¹⁹⁹ This was deemed to be a "common sense approach".²⁰⁰

This line of argumentation was recently tested and refused before the Cancellation Division of OHIM in "twin decisions" appreciating the same set of facts in relation to two trade mark registrations.²⁰¹ In 1998, Deepend Fresh Recovery, a London based design company, was commissioned to create a brand for Fresh Trading Limited's smoothie products. Mr Streek, an employer of Deepend, came up with this logo:



whose copyright, by s.11 CDPA, was owned by Deepend.²⁰² No written assignment to Fresh Trading had been produced. Nevertheless, in 2001 Fresh Trading registered the work as a trade mark and, in 2009, Deepend filed a request for invalidity on the grounds of 53(2)(c) CTMR.

In its defence Fresh Trading argued on the basis of equitable ownership, acquiescence and estoppel. In just two paragraphs the Cancellation division dismissed the arguments and declared the invalidity of the trade mark. The claim to equitable ownership was rejected on the basis of insufficient evi-

199 *Griggs v Evans* (n 30) [55].

200 C Mende and B Isaac (n 172) 148. More critic see L Bently, 'Interpretation of Copyright Rules: The Role of the Interpreter – the Creation Function' available at <<http://www.cipil.law.cam.ac.uk/Judicial%20Creativity%20in%20Copyright%20Interpretation.pdf>> accessed 31 August 2013 ("It is clear, then, that there are reasons to doubt the legitimacy of the judicial creativity which the *Griggs* decision represents."). A similar case *Warner v Gestetner Ltd* [1988] EIPR D89-90 was also decided – under the previous law – in favour of the commissioner to the detriment of Mr Warner, "a known commercial illustrator specializing in cats and dogs".

201 Decisions of the cancellation division of 15 November 2012, 3555C and 3556C (the paragraphs and pages are the same).

202 *Ibid* para 29.

dence²⁰³ and the same reason was presented to reject estoppel.²⁰⁴ It was stated: “according to article 54, acquiescence is not possible in relation to the rights covered by article 53(2) CTMR”²⁰⁵ This seems wrong as art. 110 CTMR deems acquiescence applicable to earlier national rights.²⁰⁶

As the OHIM considers national law as an issue of fact²⁰⁷ it is unclear how willing it will be to accept argumentations justified both on the basis of implied licence or abuse of rights when the national law is proven beyond reasonable doubt.

Summary:

In case a real overlap occurs, copyright is always prior in time due to its operative fact: protection arises out of creation or fixation. There are, nonetheless, relevant cases of prior trade mark conflicting with a later work. Priority in time is the criterion to solve the conflict. The OHIM is apparently hostile to argumentation relying on ownership in equity or estoppel.

C. The case of registered designs & copyright

The interaction of designs and copyright is one of the most controversial and explored overlaps, a truly vexed question. Nevertheless, in the field of designs, “issues of cumulation or convergence of rights are with us as never before”²⁰⁸

Article 2(7) BC states: “it shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected.” The extent of this overlap is mainly determined by copyright legislation. In the EU the legislator has stated in article 17 of the Design Directive (and similarly in art. 96(2) CDR) that:

203 Ibid para 30.

204 Ibid para 31.

205 Ibid.

206 C Gielen in C Gielen and V Bombhard (n 155) 269.

207 Case T-579/10 *macros* (GC 7 May 2013) para 75.

208 W Cornish, D Llewlyn and T Aplin (n 32) 606-7.

“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.”

Up until now, the national attitudes in this regard have differed to a considerable extent. The existing approaches are usually divided in three categories:

- No cumulation, relying on a requirement of separability, according to which only the separate ornamental elements can be protected by copyright but not a piece that is simultaneously aesthetic and functional. This was the old Italian approach of *scindibilità*²⁰⁹ and is the current position in the US.²¹⁰
- Partial cumulation, requiring additional “filtering requirements” such as an higher threshold of originality and/or artistic quality,²¹¹ registration or a maximum number of reproductions,²¹² for the design to be protected

209 According to art. 2 number 4 of the previous law, copyright could only be granted to the works of applied art if its artistic merit could be detached from the industrial nature of the product to which it was applied. In 2001 (with *Decreto Legislativo 2 febbraio 2001, n. 95 Attuazione della direttiva 98/71/CE relativa alla protezione giuridica dei disegni e dei modelli*) the Italian legislator, transposing the Design Directive amended its copyright law, adding a new number 10 to art. 2 of its Copyright Act, according to which “the works of industrial design that are creative and have artistic value” are now protected by copyright. See P Fabio, *Disegni e Modelli* (Cedam 2011) 185-194.

210 17 USC § 101 (definition of ‘pictorial, graphic and sculptural work’).

211 That is the case of current Italian Law. According to Vanzetti and Di Cataldo, *Manuale di Diritto Industriale* (7th edn, Giuffrè 2012) 533, the requirement of artistic value – an exception to the general rule of copyright according to which merit is irrelevant – is justified by considerations of freedom of competition: the market cannot tolerate such a long right without a control of merit (*meritevolezza*). This has mainly been established by way of comparison with analogous products (V M de Sanctis, *Manuale del Nuovo Diritto d'autore* (Scientifica 2010) 60).

212 Section 52 CDPA limits copyright of a “mass-produced” artistic work (defined as more than 50 copies, with a few exclusions) to 25 years. For a summary explanation of the current status of the law and the proposed change see D Amor, ‘Protecting Italian Lamps and Egg Chairs: Proposed Repeal of Section 52 CDPA (UK)’ 26 (2010) WIPR 30.

under copyright.²¹³ This is found in Germany²¹⁴ and also in recent decisions of Portuguese²¹⁵ and Spanish²¹⁶ courts.

- Full cumulation, based on a certain understanding of the theory of the unity of the art (attributed to Eugéne Pouillet),²¹⁷ found in Belgium,²¹⁸ the Netherlands,²¹⁹ and France.²²⁰

In a recent (and, according to Lionel Bently, wrong)²²¹ decision – *Flos v Semeraro* – the CJEU held cumulation of copyright and designs, either reg-

213 Analysing some of the criteria see Y Gaubiac, ‘La théorie de l’unité de l’art’ 111 (1982) RIDA 3, 43 ff; G Chabaud, *Le Droit d’auteur des Artistes & des Fabricants* (Gazette du Palais 1908) 88 ff. For a broader and updated analysis cf S V Gompel and E Lavik, ‘Quality, Merit, Aesthetics and Purpose: An inquiry into EU Copyright law’s eschewal of other criteria than originality’ 236 (2013) RIDA 100.

214 See n191 . It should be made clear that, although a higher requirement of originality has been abandoned, the BGH has not opted for a full cumulation model. According to the Court in the *Geburtstagzug* decision, it is needed that the design “in view of the circles reasonably receptive to and familiar with the arts, has a level of originality that allows to speak of an artistic achievement” [rn26].

215 Process 1607/10.3TBBRG.G1, decision by Guimarães Court of Appeal of 27 February 2012 (see N Sousa e Silva, ‘No copyright protection for tap designs – says Portuguese Court’ [2013] JIPLP 686).

216 Decision 561/2012 (official publication number STS 6196/2012), by the Civil Section of The Spanish Supreme Court, 27 September 2012 (see N Sousa e Silva, ‘Novelty is not enough: Spanish Supreme Court rejects unity of the art in an enigmatic decision’ [2013] JIPLP 825).

217 *Traité théorique et pratique de propriété littéraire et artistique et du droit de représentation* (3rd edn, Paris 1908) 96. However, as Greffe and Greffe, *Traité des dessins et des modèles*, (8th edn, Lexis Nexis 2008) 51 point out, Pouillet’s thesis “was far from having the absolute character that it gained afterwards”.

218 E Derclaye, ‘La Belgique: un pays de cocagne pour les créateurs de dessins et modèles’ 14.2 (2009) *Intellectuel rechten- Droits intellectuels* 100, 104; C-H Massa and A Strowel, ‘Le cumul du dessin ou modèle et du droit d’auteur : orbites parallèles et forces d’attraction entre deux planètes indépendantes mais jumelles’ in A Cruquenair and S Dusollier (eds) (n 11) 21, 27.

219 A K Sanders, ‘100 years of copyright – The Interface with design law coming full circle?’ in B Hugenholtz, A Quaedvlieg and D Visser (eds) (n92) 99, 109.

220 Greffe and Greffe (n 217) 49 (their contention that France is the only country in the EU which has total cumulation is inexact).

221 ‘The return of industrial copyright’ [2012] EIPR 654, analysing in detail the *travaux préparatoires* for the design, the Infosoc and the term directives and concluding that the field of cumulation should be left entirely to Member States and the only implication of Article 17 of the Design Directive is that “condition on the extent of protection could not be such as to prevent its existence” (at 659).

istered or unregistered, to be mandatory.²²² In paragraph 34 of the decision it is stated:

“However, it is conceivable that copyright protection for works which may be unregistered designs could arise under other directives concerning copyright, in particular Directive 2001/29, if the conditions for that directive’s application are met, a matter which falls to be determined by the national court.”

The extension to which this decision imposes a European “unity of the art” and requires Member-States to adopt the full cumulation approach is still very uncertain.²²³ In the past it was believed that even though the principle of cumulation had been adopted, Member-States could still decide on the conditions of protection for applied arts in their respective copyright laws.²²⁴ As the CJEU has undertaken an ongoing interpretation of the notion of originality on the basis of Directive 2001/29, most notably in *Infopaq*, these debates remain linked and thus an area of incognita.²²⁵

However, neither the copyright directives, nor the design regulation (or directive) or CJEU’s case-law provide much guidance on how to solve the problem at hand.

222 Case C-168/09 [2011] ECR I-181.

223 Following a minimalist reading see S Ricketson and U Suthersanen, ‘The design/copyright overlap: is there a resolution?’ in N Wilkof and S Basheer (eds), (n 10) 159,176.

224 See T Dreier in T Dreier and B Hugenholtz (n 136)16. Following Joined cases C-92/92 and C-326/92 *Phill Collins* [1993] ECR I-5145, the CJEU, in Case C-28/04 *Tod’s* [2005] ECR I-5781, had made clear that the principle of non-discrimination (now art. 18 TFEU) would forestall the rule of reciprocity (art. 7 (4) BC) from operating.

225 Case C-5/08 *Infopaq International A/S v Danske Dagblades Forening* [2009] ECR I-6569 paras 36-38 (confirmed, i.a. in Case C-393/09 *Bezpečnostní softwarová as-sociasse (BSA)* [2010] ECR I-13971 paras 44-46; Joined cases C-403/08 and C-429/08 *Football Dataco* (CJEU 4 October 2011) paras 97-98). On the debate on *Infopaq* and its progeny, including its impact on Germany see (with further references) M Leistner, ‘Der europäisches Werkbegriff’ [2013] ZGE 4-45 (specially 30 ff). More sceptical about the effects of the decision on UK law see A Rahmatian, ‘Originality in UK Copyright Law: The Old “Skill and Labour” Doctrine Under Pressure’ [2013] IIC 4. For a summary cf M V Eechoud, ‘Along the Road to Uniformity – Diverse Readings of the Court of Justice Judgments on Copyright Work’ [2012] JIPITEC 60; E Rosati, *Originality in EU Copyright – Full Harmonization through Case Law* (EE 2013).

Under the CDR the creator of the design is designated ‘designer’,²²⁶ and has the right to be mentioned in the register, regardless of ownership.²²⁷ Pursuant to art. 14 CDR, the right to the design shall be vested in the creator (or joint creators) of the design, unless the “design is developed by an employee in the execution of his duties or following the instructions given by his employer” (art. 14(3) CDR). If someone other than the owner has registered the design, the latter will have the option to either invalidate the design²²⁸ or to claim it as his own.²²⁹ In this last case, third parties exploiting the design in good faith (prior to the ownership challenge) can continue their exploitation on the basis of a non-exclusive statutory licence.²³⁰

In *FEIA*²³¹ the CJEU drew on the chosen terms employer and employee,²³² to hold that article 14(3) CDR was to be interpreted restrictively and did not cover designs produced under commission.²³³ The Court emphasised, nevertheless, that a design can be transferred by contractual assignment,²³⁴ subject to the national applicable law.²³⁵ It is not clear whether the CJEU considers implied terms of assignment admissible. It is submitted that the decision refers only to the notion of employee and Courts remain free, *per art. 14(3) in fine*, to consider implied licences or transfer. Furthermore, Member-States retain the possibility to establish a legal presumption of assignment.

At first sight this decision might seem to promote convergence with copyright ownership. And it is so, if we consider the *droit d'auteur* paradigm: a restrictive interpretation of article 14(3) CDR will tend to concentrate the copyright and the design right in the same person, the creator. However, it

226 D Stone, *European Union Design Law* (OUP 2012) 90 “...the designer is the person who designs the design”.

227 Art. 18 CDR. This is a limited (the provision only refers to the register) moral right of paternity (D Musker in C Gielen and V Bombhard (n 155) 387).

228 Art. 25(1)(c) CDR.

229 Art. 15 CDR.

230 Art. 16(2) CDR.

231 Case C-32/08 *FEIA v Cul de Sac* [2009] ECR I-5611.

232 Ibid paras 45-48 and Opinion of the AG paras 27 ff. analysing the drafting history of the regulation.

233 Ibid para 49 (“... the term ‘employee’ refers to the person who works under the instruction of his ‘employer’ when developing a Community design in the context of the employment relationship.”).

234 And not only the cases of inheritance or succession or merger between companies, as contended by the Commission (Opinion of the AG para 43).

235 Ibid para 81.

is also possible that by application of certain provisions of copyright law we will end up with a situation where the copyright is owned by the commissioner or organizer of a collaborative work and the design right belongs to the designer. In any case, if there is overlap, split ownership still occurs in the context of an employment situation in countries where there is no work for hire doctrine.

In these situations it could be argued that the unitary right provisions prevail (as they are EU law) and the acquisition of copyright is meaningless. This does not seem to be a sound reasoning because the hierarchical principle has no application in this context. As seen the rule is coexistence.²³⁶ Thus, in case of split ownership of copyright and design the rule will still be priority in time. The owner of prior copyright can invalidate the design in proceedings before the OHIM on that ground.²³⁷ Like the owner of a prior trade mark,²³⁸ the owner of a prior design can prevent the exploitation of a work inasmuch it falls within its scope.

Most of the times the split ownership will happen after creation, resulting from the transfer of just one of the IPRs.

If a designer has granted her design rights but not the copyright she surely cannot claim the design as her own, but can she still make use of her copyright? It seems abusive and against good faith. In those cases it might be argued that the transfer in title of design rights by the designer implies at least a copyright licence or even that it is (or should be) impossible to transfer the rights separately. This last solution is found in countries following the theory of the unity of the art, either developed by jurisprudence²³⁹ or in specific legislative provisions.²⁴⁰ The implied licence solution is probably the “lowest common denominator” among the European jurisdictions for this scenario.

Another rule found e.g. in France²⁴¹ or in the Netherlands²⁴² is the presumption of ownership of copyright in favour of the (legal or natural) person

236 n 59.

237 25(1)(f) CDR. A recent example of an application relying on both prior copyright and lack of individual character (without success) is Case T-68/11 *Erich Kastenholz v OHIM* (GC 6 June 2013).

238 See text accompanying n 184 .

239 E Derclaye and M Leistner (n 10) 121.

240 A K Sanders (n 219) 110-111.

241 Greffe and Greffe (n 217) 293 ff.

242 Art. 8 Dutch Copyright Act. Similarly see art.14(3) PTCA.

that exploits the work.²⁴³ This is a practical and important way to overcome the burdensome proof of ownership in infringement actions. The rule can have the equivalent effect to granting ownership,²⁴⁴ at least against third parties. It is nonetheless a rebuttable presumption and will not be of great use in situations of conflict between the different IPRs' owners.

Summary:

Concerning the cumulation of design and copyright there are still very different solutions among Member-States, although the CJEU might be developing a “european unity of the art” on the basis of its interpretation of EU copyright. Art 14 CDR establishes a work for hire doctrine regarding the design right which, according to the CJEU, is to be interpreted restrictively. That will tend to concentrate initial ownership. Thus split ownership will mainly be the result of contractual arrangements. The criterion for conflicts is still priority in time. However, at least in the case of contractual arrangements referring to just one of the cumulated right there might be an implied licence regarding the other.

*D. The case of databases: *sui generis* right & copyright*

In 1996, a Directive on the legal protection of databases was adopted. According to that Directive, a database can be protected by two rights: copyright, if the database constitutes the author's own intellectual creation²⁴⁵ and a *sui generis* right, if substantial investment was put into its creation.²⁴⁶ Though the object of protection differs – copyright focuses on the original selection or arrangement whereas the *sui generis* right protects the invest-

243 This is to be distinguished from the presumption of authorship found in art. 15 BC stemming from the display of a name in the work. In this case the significant event is the exploitation and not the display of a name.

244 J Seignette 'Authorship' (n 92) 135 ("...creating a *de facto* allocation rule for copyright in commissioned works...").

245 Art. 3 DatD.

246 Art. 7 DatD.

ment in the gathering of data²⁴⁷ and its presentation²⁴⁸ – the potential for overlaps is almost unlimited.²⁴⁹

Pursuant to article 4, copyright will be vested in the creator of that database, a natural person unless the national law of the Member State allows for legal persons to acquire copyright.²⁵⁰ The rule has no “hard” content, it only suggests a solution but Member-States retain their freedom to regulate the matter.²⁵¹ If the work has been created by a group of people then these will be joint owners.²⁵² In case the national legislation has specific provisions to deal with collective works, the economic rights shall be owned by the person holding the copyright.²⁵³ Unlike the Computer Programs Directive’s art. 2(3) and the Initial Proposal’s art. 3(4), there is no provision dealing with databases created by employees.²⁵⁴ The harmonizing effect of these rules is therefore minimal.²⁵⁵

According to article 7 and Recital 41, the maker of the database, the person (quite often a company) who takes the initiative and the risk of investing is the owner of the *sui generis* right.²⁵⁶

247 But not in the creation of data as results from the CJEU decision in Case C-203/02 *BHB v William Hill* [2004] ECR I-10415 paras 30-42. M Davidson and B Hugenholtz, ‘Football fixtures, horse races and spin-offs: the ECJ domesticates the database right’ [2005] EIPR 113.

248 M Leistner, ‘The protection of databases’ in E Derclaye, *Research handbook* (n 51) 427, 431.

249 Art. 7(4) DatD. A Quaedvlieg, ‘Overlap/relationships’ (n 63) 483 stating “these rights were meant to cumulate”. That seems, however, to be an overstatement as the Initial Proposal (Proposal for a Council Directive on the legal protection of databases. COM (92) 24 final, 13 May 1992), in its art. 2 (5), provided that the *sui generis* right would not apply where the database was already protected by copyright or neighbouring rights.

250 Art. 4(1) DatD.

251 Recital 29 DatD. B Hugenholtz in T Dreier and B Hugenholtz (eds) (n 136) 319. See also M Leistner, *Der Rechtsschutz von Datenbaken im deutschen und europäischen Recht* (C.H. Beck 2000) 84 ff.

252 Art. 4(3) DatD. B Hugenholtz ibid 320 (“The wording of art. 4(1) suggest that a group of natural persons may also qualify as the author, but as para. 3 clarifies, what is meant here is joint authorship.”).

253 Art. 4(2) DatD.

254 B Hugenholtz in T Dreier and B Hugenholtz (eds) (n 136) 320.

255 Nevertheless it had some effects. V.g. Belgium has a “work for hire” provision for databases (art. 20ter of the Belgian copyright act). Similar provision is art. 12bis ItalCA (creating a presumption of transfer for databases).

256 Laddie, Prescott and Vitoria (n 97) 1287 (“It should be noted that this need not be the person who actually does the work. Indeed it often will not be.”).

Although this framework regarding the ownership of both rights is fertile ground for different ownerships of different rights in the same database, it seems that the legislator has not predicted the problem.²⁵⁷ Thus situation poses difficulties not only for the owners of the rights who want to exploit it but also for users, who might only have obtained a licence from one of the two relevant rightholders.²⁵⁸

Even though that was not the main object of the dispute (nor the preliminary ruling), in *Directmedia*²⁵⁹ there was a copyright owner in an anthology of German poetry, Mr. Knoop, working for the University in Freiburg, and the database right, owned by the University, who had spent €34.900 throughout the two and half years it took to compile the database.²⁶⁰ A third party (Directmedia) was sued on the basis of infringement of both copyright and the *sui generis* right. As the applicable law to determine copyright ownership was German law, the owners were different.

In this case, there is no prevalence in time as both IPRs are born simultaneously in the sphere of the two subjects.²⁶¹ There seems to be no hierarchy or precedence either. According to the law as it is, the investor and the copyright owner would need to get permission from each other in case they want to exploit the database.²⁶² Most of the times this will mean that the owner of the *sui generis* right will need to bargain a license anew.

Normally, the copyright owner is either an employee or a commissioned person; thus it can be argued that the original creation has already been remunerated. Such payment was part of the substantial investment; hence (at

257 A Quaedvlieg, ‘Overlap/relationships’ (n 63) 516.

258 Laddie, Prescott and Vitoria (n 97) 1287 (“Users of a database must take great care to consider (...) whether a licence would be required from both owners”).

259 C-304/07 *Directmedia Publishing GmbH v Albert-Ludwigs-Universität Freiburg* [2008] ECR I-7565.

260 Ibid paras 9-15.

261 F Macrez (n 11) 103 (stating without elaborating on the consequences : “in case of conflict, the balance should tilt in favour of copyright”). There seems to be no justification for such solution. Lucas and Lucas (n 71) 953 state twice that “It is enough to apply in a distributive fashion the rules which do not have the same scope of application”. This enigmatic sentence can be seen as a timid suggestion of prevalence.

262 “This may enable either party to prevent the other from making commercial use of the database, unless either or both can rely on lawful user rights to disable the other's controls or on some other legal principle” (S Chalton, ‘The Copyright and Rights in Databases Regulations 1997: some outstanding issues on implementation of the Database Directive’ [1998] EIPR 178, 181).

least) a license is implied.²⁶³ This argumentation will face some obstacles, such as formalities,²⁶⁴ burden of proof, specific legal provision on the contrary²⁶⁵ and a general attitude *favor auctoris*,²⁶⁶ regarding the author as the weakest party²⁶⁷ and ownership rules as imperative.²⁶⁸

In the judgement *Ray v Classic FM*,²⁶⁹ Mr. Robin Ray, “nationally famous for his encyclopaedic knowledge of classical music”,²⁷⁰ had concluded a consultancy agreement with Classic fm to advise on the programming and repertoire of the broadcaster. This agreement was silent on the subject of

263 Making that argument *see* A Bertrand, *Droit d'auteur* (3rd edn, Dalloz 2010) 185.

Against it *see* Lucas and Lucas (n 71) 180 ff. This has been followed in some decisions (Y Gaubiac (n 213) 14 ff). In Germany the BGH in *Wettbewerbspläne* [2001] GRUR 155, seems to have followed that logic by holding that “when a computer program is developed in the framework of a worker’s duties he shall not be entitled to additional remuneration if that is patented”. As seen, under UK law, the extent of this problem seems to be minimal. Either by operation of the work for hire doctrine or due to implied terms, including equitable ownership of copyright or an implied licence, the database maker will not have problems. A similar effect can be achieved in Germany through an implied licence (see below **III.B.3**).

264 See L Guibault and B Hugenholtz (n134) 31-32 and a country-by-country survey at 37 ff..

265 See n 100.

266 K Aarab, ‘Droit d'auteur et droit des dessins et modèles : le conflit de la recevabilité à agir des personnes morales’ 68 (2011) *Revue Lamy Droit de l’immatériel* 97; T Dreier and G Schulze (n 13) § 31 nn 110 (“The copyright tends to remain with the author as much as possible”). Even though “contrary to the law of a number of Member States German copyright law does not follow the rule “*in dubio pro auctore*”” (L Guibault and B Hugenholtz (n 134) 82).

267 P Katzenberger, ‘Protection of the Author as the Weaker Party to a Contract under International Copyright Contract Law’ [1988] IIC 731.

268 A Dietz, ‘Das Urhebervertragsrecht in seiner rechtpolitischen Bedeutung’ in F-K Beier et al. (eds) *Urhebervertragsrecht* (C.H. Beck 1995) 1. A counter-argument is that the same effect (protecting the author’s interest) can be achieved (maybe in an even more efficient way) by guaranteeing the author equitable remuneration and the maintenance of his moral rights (cf. 165(3) PTCA). This represents a certain convergence with the employee’s invention logic. Pointing out, in the wider context of imperative contractual laws protecting authors, that often these authors do not “dare to insist on the application of such provisions” *see* S V Lewinski, ‘Collectivism and its role in the frame of individual contracts’ in J Rosén (ed) (n) 117,118 stating the same for the model adopted by German Law (at 120).

269 [1998] ECC 488.

270 *Ibid* [4].

Intellectual Property.²⁷¹ Ray developed a star system to rate the items in the playlist which was to be managed by means of a computer program (Selector) aimed at optimizing the selection of music played.²⁷² Throughout the duration of his contract Mr. Ray individually classified 50,000 items of music according to his star system.²⁷³ The system worked so well that Classic fm wanted to licence the database.²⁷⁴ Mr. Ray considered that constituted infringement of his copyright – not on the database but on documents contained in it – and sued Classic fm. After having dismissed the Defendant's claim to ownership under s.11(2) the Court proceeded to analyse the issue of ownership in equity beginning with a thorough review of the law. In face of the facts Justice Lightham found implied a licence “for the purpose of enabling the Defendant to carry on its business”²⁷⁵ and thus upheld the claim for infringement. The issue of estoppel was dismissed as unfounded.²⁷⁶

Summary:

The *sui generis* right protecting investment and copyright can and very often will cumulate in a certain database. When that happens, although some authors suggest prevalence of the copyright owner, it seems that there is a blocking situation as there is no priority in time (both rights arise simultaneously). In case the copyright owner is commissioned or an employee there might be an implied licence. However such an argumentation will face obstacles due to laws driven by the protection of the author.

271 Ibid [6].

272 Ibid [8]. Although databases are distinct from software – software is code, “any set of machine-readable instructions (most often in the form of a computer program) that directs a computer's processor to perform specific operations.”(<<https://en.wikipedia.org/wiki/Software>> accessed 23 August 2013), whilst a database is an organized collection of data (<<https://en.wikipedia.org/wiki/Database>> accessed 23 August 2013) – they are usually part of the same product and, as this case shows, often the value of a computer program is due to the “database on which the code operates” (T J McIntyre, ‘Copyright in custom code: Who owns commissioned software?’ [2007] JIPLP 473, 484). This is not a real overlap, as the object is different, but can pose similar difficulties. On the technical and legal notions see M Leistner, *Der Rechtsschutz* (n 251) 41 ff.

273 Ibid [10].

274 Ibid [11].

275 Ibid [48].

276 Ibid [51].

E. The case of software and computer implemented inventions

The protection of software was and still is a very controversial issue.²⁷⁷ After much debate, at the European level, it was decided to bring it under copyright²⁷⁸ by means of a Directive,²⁷⁹ the first on copyright matters. This solution was later incorporated in the TRIPS Agreements, art. 10 (1), which states: *computer programs whether in source or object code, shall be protected as literary works under the Berne Convention.*

At the same time Patent Offices around the world issue the so-called software patents or, in EPO's terminology, "computer implemented inventions".²⁸⁰ To be accurate, one has to distinguish between the objects of protection: software, i.e. only source and object code, protected under the copyright for software,²⁸¹ and computer implemented inventions, which differ from software.²⁸² These patents do not directly protect software or the al-

277 Providing background and further references see R Hilty and C Geiger, 'Towards a New Instrument of Protection for Software in the EU? Learning the Lessons from the Harmonization Failure of Software Patentability' in E Arezzo and G Ghidini (eds), *Biotechnology And Software Patent Law* (EE 2011) 153.

278 As pointed out by T Dreier, 'The Council Directive of 14 May 1991 on the Legal Protection of Computer Programs' [1991] EIPR 319, 320 any neighbouring rights' or *sui generis* approach would have necessitated the creation of a new instrument for international protection. This would be a long and cumbersome process without any guarantees of success.

279 Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs, replaced without any substantial modification by Directive 2009/24/EC of the European Parliament and of the Council of 23 April 2009 on the legal protection of computer programs (Codified version), hereinafter **CPD**.

280 This was also the terminology employed in the failed Proposal for a Directive of the European Parliament and of the Council on the patentability of computer-implemented inventions COM/2002/0092 final [2002] OJ C 151E.

281 Case C-393/09 *Bezpečnostní softwarová asociace* (BSA) [2010] ECR I-13971 para 34.

282 According to the Guidelines for Examination in the European Patent Office (20 June 2012) Part G Chapter II-3.6 "Programs for computers are a form of "computer-implemented invention", an expression intended to cover claims which involve computers, computer networks or other programmable apparatus whereby *prima facie* one or more of the features of the claimed invention are realised by means of a program or programs".

gorithms (computer programs *as such*),²⁸³ they aim at the technical function(s) performed by the program.²⁸⁴ The object of protections is clearly different. As stated by the CJEU in *SAS Institute*,²⁸⁵ “neither the functionality of a computer program nor the programming language and the format of data files used in a computer program in order to exploit certain of its functions constitute a form of expression of that program and, as such, are not protected by copyright in computer programs”.

There is no coincidence in the criteria for infringement, and there are no rules dealing with the conflict neither in copyright nor in patent laws.

If the scope of the patented computer implemented invention covers the one present in the software but was achieved by independent conception, there was no copyright infringement, for this requires copying.²⁸⁶

Even when copyright predates patent protection,²⁸⁷ its protection is not dependent on an act of publicity. Therefore the patent requirement of novelty²⁸⁸ is not necessarily affected. If a person who has independently reached the same technical solution succeeds in obtaining a patent for a computer implemented invention which also covers the solution found in the pre-written software there is not much left for the copyright owner.²⁸⁹ Depending on

283 Art. 52(3) EPC. Providing some guidance on the concepts of “computer program as such” and “further technical effect” of Opinion of the Enlarged Board of Appeal of 12 May 2010 (G3/08) (finding the referral not admissible but expending relevant considerations on the topic).

284 On the requirements and particularities of Computer Implemented Inventions see C Schwarz and S Krusping, *Computerimplementierte Erfindungen – Patentschutz von Software?* (Carl Heymanns 2011).

285 Case C-406/10 *SAS Institute Inc. v World Programming Ltd* (CJEU 2 May 2012) para 46.

286 Even an independent invention might have involved copyright infringement in a certain intermediate step of its conception, like in certain cases of reverse engineering that fall out of the restrictive conditions of art. 6 CPD. In this situation the copyright protected code was just a starting point for the inventor, the performance of the invention, i.e. the exploitation of the patent, involves no copyright infringement, so there is no dependency.

287 That will always be the situation in case of a real overlap (n 12).

288 Art. 54 EPC contains what is called “an absolute requirement of novelty”, any enabling disclosure to the public is enough to deny patentability (A Kur and T Dreier (n 58) 111).

289 F Macrez (n 11) 101 (“...the legal protection through copyright will not have any utility. If not in principle at least in fact, copyright is hierarchically inferior to a patent.”).

the jurisdiction, (s)he might benefit from prior user rights.²⁹⁰ This constitutes nothing but a defence, a limitation to the effects of the patent: the patent owner can forbid everyone but the prior user from using his invention.

A different situation arises when a computer implemented invention can be induced from certain copyright protected software and this involves no further inventive activity. In that case the patented solution is not autonomous.²⁹¹ The creative process is simultaneously inventive activity. The creator, owner of the prior copyright, is also the inventor, entitled to a patent himself.

When the person applying for the patent²⁹² is not entitled to it, its legitimate owner can claim it in national courts.²⁹³ Determining who is an inventor constitutes a reasoning akin to determining who is/are the author(s).²⁹⁴ The rules according to which the patent owner is determined have not been harmonized but they converge to a significant extent.²⁹⁵

Pursuant to art. 2(3) CPD: “Where a computer program is created by an employee in the execution of his duties or following the instructions given by his employer, the employer exclusively shall be entitled to exercise all economic rights in the program so created, unless otherwise provided by contract”.

290 See n 43 .

291 This is not synonymous with dependency as in “dependent patents”. As copyright only protects a certain expression (art. 9(2) TRIPS) it will be relatively easy to practice the invention (defined by its function) with a different code. Even if a very similar code is written independently there will be no infringement. Hence, due to the broader scope of patent protection and the subjective requirement for copyright infringement the situation of patents dependent on copyright mentioned by C Le Stanc, ‘*Interférences entre droit d'auteur et droit de brevet quant à la protection du logiciel: approche française*’ in S K Verma and R Mittal (eds), *IPRs A global vision* 162, 167 seems unlikely to happen.

292 Any person(s) can apply for a patent (arts. 58, 59 EPC) and the applicant is presumed to be entitled to it (art. 60(3) EPC). It is necessary to distinguish those who can apply from those who are entitled to the patent.

293 Art. 61 EPC and rules 13-15 of the implementing regulation.

294 On the topic see R Miller et al, *Terrel on the Law of Patents* (17th edn, Sweet & Maxwell 2010) 95-99. This is particularly clear in the context of co-inventorship (“A co-inventor within the meaning of art. 60(2) [EPC] is a person who, on its own initiative, intellectually contributed a creative part to the overall inventive concept” (Hess (n 66), mentioning German jurisprudence)).

295 See n67 and accompanying text.

This provision only requires a presumption of an exclusive licence regarding economic rights.²⁹⁶ Although a broader solution covering commissioned works was to be found in the Initial proposal, it was eschewed to the benefit of freelance programmers.²⁹⁷ Nonetheless some countries, like Germany,²⁹⁸ when transposing the Directive extended the application of this solution to commissioned works.²⁹⁹ Curiously, the UK did not,³⁰⁰ but the implied terms solution has been used.³⁰¹

Summary:

Although copyright and patents often overlap in computer programs, split ownership of those rights will not generate particular problems. In case copyright predates patent protection, a patent can still be obtained if there was no enabling disclosure and the other requirements of patentability are met. If the patentee copied the invention from the creation, he cannot be deemed the inventor and, simultaneously is infringing copyright. If the patentee has achieved the same technical solution independently (most probably with a different code) he has not infringed copyright and will be able to patent his invention. The prior copyright owner can have prior rights inasmuch the applicable law allows them.

296 In order to respect different traditions, specifically the monistic approach (A Metzger (n 90) 82).

297 T Dreier, ‘The Council Directive’ (n 278) 321.

298 § 69b(2)UrhG.

299 This seems to be admissible as the Directive “confines itself to laying down a few basic principles” (M Walter (n 110) 112). See also F Bayreuther, ‘Zum Verhältnis zwischen Arbeits-, Urheber- und Arbeitnehmerfindungsrecht Unter besonderer Berücksichtigung der Sondervergütungsansprüche des angestellten Softwareerstellers’ [2003] GRUR 570 (considering the issue of equitable remuneration under § 32 UrhG and the applicability of § 20 *Arbeitnehmerfindungsgesetz*). Cf n263 .

300 T J McIntyre (n272) 473.

301 V.g. *Clearsprings Management Ltd -v- Businesslink Ltd* [2005] EWHC 1487 (restricting these to a licence).