

C-728/19-1



Claim No. IP-2018-000201

24 Sep 2019

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
INTELLECTUAL PROPERTY ENTERPRISE COURT

IP-2018-000201

Before: His Honour Judge Hacon

23 September 2019

B E T W E E N:

BEVERLY HILLS TEDDY BEAR COMPANY

Claimant

and

PMS INTERNATIONAL GROUP PLC

Defendant

ORDER

UPON the application of the Defendant dated 3 July 2019 for summary judgment on the Claimant's claim for infringement of unregistered Community design (UCD) and security for costs

AND UPON the Court having heard the Defendant's application for summary judgment at the Case Management Conference on 25 July 2019

AND UPON the Court handing down its judgment in writing (the '**Judgment**') on 17 September 2019

AND UPON the Court not having time to consider all matters other than the Defendant's application insofar as it related to summary judgment on the UCD claim

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Registered at the Court of Justice under No. <u>M29102</u>
Luxembourg, - 2. 10. 2019
Fax / E-mail:
Received on: <u>02. 10. 19</u>
For the Registrar <i>Cecilia Strömholm</i> Administrator



IT IS ORDERED THAT:

1. Questions as set out in the attached Schedule (section B) concerning the interpretation of Council Regulation (EC) No. 6/2002 on Community designs (the '**Design Regulation**') shall be referred to the Court of Justice of the European Union (the '**Court of Justice**') for a preliminary ruling in accordance with Article 267 TFEU.
2. The judgment of HHJ Hacon dated 17th September 2019 at section A and the Questions at section B of the Schedule shall stand as the reference in accordance with Part 68.2(4) of the Civil Procedure Rules.
3. The Senior Master shall forthwith, and without waiting for time to appeal against this Order to expire, transmit to the Registrar of the Court of Justice, pursuant to CPR Pt 68, this Order and the Schedule.
4. The Case Management Conference and the application of the Defendant dated 3rd July 2019 be restored for further hearing to come on at the first available date to be listed through the usual channels for further directions in the case including whether or not these proceedings should be stayed until the Court of Justice has given its ruling on the questions referred or until further order.
5. Costs reserved.
6. The parties shall have liberty to apply.
7. The Defendant shall serve this order on the Claimant.

Service of the order

The court has provided a sealed copy of this order to the serving party:

Waterfront Solicitors LLP, 14 Weller Street, London, SE1 1QU,
solicitors for the Defendant.

SCHEDULE

**SECTION A. JUDGMENT OF HHJ HACON DATED 17TH NOVEMBER
2019**

SECTION B. QUESTIONS TO BE REFERRED

(1) For the protection of an unregistered Community design to come into being under art.11 of Council Regulation (EC) No. 6/2002 of 12 December 2001 ('the Regulation'), by the design being made available to the public within the meaning of art.11(1), must an event of disclosure, within the meaning of art.11(2), take place within the geographical confines of the Community, or is it sufficient that the event, wherever it took place, was such that, in the normal course of business, the event could reasonably have become known to the circles specialised in the sector concerned, operating within the Community (assuming the design was not disclosed in confidence within the terms of the final sentence of art.11(2))?

(2) Is the date for assessing the novelty of a design for which unregistered Community design protection is claimed, within the meaning of art.5(1)(a) of the Regulation, the date on which the unregistered Community design protection for the design came into being according to art.11 of the Regulation, or alternatively the date on which the relevant event of disclosure of the design, within the meaning of art.7(1) of the Regulation, could reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community (assuming that the design was not disclosed in confidence within the terms of the final sentence of art.7(1)), or alternatively some other, and if so, which date?



Neutral Citation Number: [2019] EWHC 2419 (IPEC)

Case No: IP-2018-000201

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (Ch D)
INTELLECTUAL PROPERTY ENTERPRISE COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 17/09/2019

Before :

HIS HONOUR JUDGE HACON

Between :

BEVERLY HILLS TEDDY BEAR COMPANY
(incorporated under the laws of the State of
California)

Claimant

- and -

PMS INTERNATIONAL GROUP PLC

Defendant

Guy Tritton (instructed by Bernard Whyatt, barrister) for the Claimant
Chris Aikens (instructed by Waterfront Solicitors LLP) for the Defendant

Hearing date: 25 July 2019

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....
HIS HONOUR JUDGE HACON

Judge Hacon :

Introduction

1. The defendant ('PMS') seeks summary judgment which would have the effect of striking out part of the claim. No facts are in dispute – the application raises solely a point of European Union design law.
2. The claimant ('BHTB') is a Californian company which sells animal-like toys called 'Squeezamals'. Six are relevant to this action, being a dog, monkey, panda, penguin, unicorn and a cat. BHTB seeks to protect the designs of the toys by means of registered community designs, unregistered community designs ('UCDs') and copyright in the design drawings.
3. This application concerns only UCDs. It is not in dispute that five of the six toys, all but the unicorn, were first shown to the public in October 2017 at the Mega Show, a trade fair in Hong Kong. It is agreed that the nature of the Mega Show was such that the design of each of the toys would have become known in October 2017 in the normal course of business to the circles specialising in the sector concerned, operating within the Community, within the meaning of art.7 of Regulation (EC) No. 6/2002 ('the Design Regulation').
4. The toys were subsequently exhibited for the first time in the EU at the Nuremberg Toy Fair in Germany in January 2018.
5. PMS argues that the relevant date for assessing the novelty of a UCD is the date on which the UCD comes into being. That is governed by art.11 of the Design Regulation. In this case, PMS continues, all five UCDs in issue first existed in January 2018. By then all five designs lacked novelty because of the Hong Kong Mega Show the previous October. Therefore none of those five designs is a protected UCD.
6. The issue in this application is whether that is a correct analysis of the law on the agreed facts. There has been no clear authority on the point from the CJEU. There have been judgments in Germany, including one from the Federal Supreme Court, provoking a divided view among text book authors and commentators in the UK.
7. For simplicity of discussion, I need consider only the novelty of the designs.

The Regulation

8. The relevant provisions of the Design Regulation are these:

Article 1

Community design

1. *A design which complies with the conditions contained in this Regulation is hereinafter referred to as a 'Community design'.*
2. *A design shall be protected:*
 - (a) *by an 'unregistered Community design', if made available to the public in the manner provided for in this Regulation;*
 - (b) *by a 'registered Community design', if registered in the manner provided for in this Regulation.*

...

Article 4

Requirements for protection

1. *A design shall be protected by a Community design to the extent that it is new and has individual character.*

...

Article 5

Novelty

1. *A design shall be considered to be new if no identical design has been made available to the public:*
 - (a) *in the case of an unregistered Community design, before the date on which the design for which protection is claimed has first been made available to the public;*

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

...

Article 7

Disclosure

1. *For the purpose of applying Articles 5 and 6, a design shall be deemed to have been made available to the public if it has been published following registration or otherwise, or exhibited, used in trade or otherwise disclosed, before the date referred to in Articles 5(1)(a) and 6(1)(a) or in Articles 5(1)(b) and 6(1)(b), as the case may be, except where these events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.*

...

Article 11

Commencement and term of protection of the unregistered Community design

1. *A design which meets the requirements under Section 1 shall be protected by an unregistered Community design for a period of three years as from the date on which the design was first made available to the public within the Community.*
2. *For the purpose of paragraph 1, a design shall be deemed to have been made available to the public within the Community if it has been*

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

...

Article 110(a)

...

5. ... Pursuant to Article 11, a design which has not been made public within the territory of the Community shall not enjoy protection as an unregistered Community design.

The effect of the Regulation on its face

9. A design cannot be protected as a UCD unless it is new, see art.4(1). A design is new if no identical design has been made available to the public before the date on which the design for which protection is claimed was first made available to the public, see art.5(1)(a). An 'identical' design includes one which differs only in immaterial details, see art.5(2).
10. Pausing there, art.5(1)(a) taken in isolation suggests that a design can never prior publish itself. A design cannot have been made available to the public before the date on which it was first made available to the public.
11. That said, the date set out in subparagraph (1)(a) is the date on which the design *for which protection is claimed* has first been made available to the public. This may mean (it is PMS's case) that the correct date for assessing novelty can be identified only by reference to a UCD which has come into being. If that is right, art.11 must be taken into account.

12. Pursuant to art.11(1), the period of protection of a UCD runs for three years from the date on which it was first made available to the public *within the Community*. The words I have italicised provide a territorial limitation not present in art.5. It follows that no design can be protected as a UCD unless and until it has been made available to the public within the Community.
13. There is an ambiguity. It arises from the distinction between the ‘event’ of disclosure referred to in art.11(1) – the publication, or exhibition and so on – and the disclosure in the sense of the design coming to the attention of the relevant circles in the Community. The exhibition of a design, whether within or outside the EU, would qualify as a relevant ‘event’ but it may or may not give rise to disclosure in the latter sense. That will depend on whether the requirements set out in art.11(2) are satisfied. The ambiguity is this: does art.11 require that the event takes place within the Community, or does it require only that the event, wherever it happens, could reasonably have become known to the relevant circles within the Community?
14. Art.11(2) explains what ‘made available to the public within the Community’ means. There are three requirements:
 - (1) At least one ‘event’ must have taken place, being the publication or exhibition of the design, use of the design in trade, or other form of disclosure of the design.
 - (2) The event must have been such that it could reasonably have become known to the circles specialised in the sector concerned, operating within the Community.
 - (3) The disclosure relied on must have gone further than a disclosure to a third person under explicit or implicit conditions of confidentiality.
15. As of the first date on which all three requirements are satisfied in relation to a design, that design is protected as a UCD. Protection will run for three years.
16. Going back to art.5(1)(a), the meaning of ‘made available to the public’ in that article is explained in art.7(1). Art.7(1) provides for a presumption – a design is deemed to have been made available to the public if at least one ‘event’ has occurred – but the presumption is rebuttable by the alleged infringer proving that the event could not reasonably have become known to the relevant circles within the Community. This

view of art.7(1) – providing for a presumption which may be rebutted – has been explained by the General Court for instance in *Visi/one GmbH v EUIPO* (Case T-74/18) EU:T:2019:417 at [23]-[24]. (The General Court appears to have assumed that if the event has become known to the relevant circles, the disclosure cannot have been made in confidence.)

17. Although art.7(1) is worded to set up this rebuttable presumption, the relevant events are defined in identical terms to those in art.11(2), as are the two exceptions. In relation to UCD protection, there seems to be no distinction between making a design available to the public within the meaning of art.5(1)(a) and making a design available to the public within the meaning of art.7(1).
18. There is a difficulty with art.5(1)(a) when read in conjunction with art.7(1). The term ‘made available to the public’ is used twice in art.5(1)(a), first to define the criterion which governs novelty – whether the design has been made available to the public – and secondly to set the date as of which this is to be assessed. The term is defined in art.7(1). Reading that definition on to the term’s first use in art.5(1)(a) makes sense: novelty will be lost if the design has been published...or otherwise disclosed before the date defined in subparagraph (a) of art.5(1), subject to the stated exception in relation to the circles specialised in the sector concerned. Reading the art.7(1) definition on to the term’s second use leads to circularity and no sense: the date in subparagraph (a) is the date on which the design for which protection is claimed was first published...or otherwise disclosed before the date defined in subparagraph (a). I assume, therefore, that the art.7(1) is to be read only on to the first use of ‘made available to the public’ in art.5(1)(a).
19. I should make a further clarification. The second requirement of art.11(2) set out above is that the *event* could reasonably have become known to the relevant circles in the Community. Taken literally it requires that the event, as opposed to the design, could reasonably have become known. The events contemplated in arts.7(1) and 11(2) are acts of disclosure of the design. If the act of disclosure was done in confidence the design will not have been made available to the public, see art.7(1) final sentence and art.11(2) final sentence. On the other hand, if there has been any kind of public act of disclosure of the design, i.e. an act not done in confidence, there is a presumption that the design is deemed made available to the public. Thus, on the face of arts.7(1) and

- 11 there is no rebuttal of that presumption where the relevant circles in the Community could reasonably have known that the public act of disclosure of the design in issue has taken place, even if they were not made aware of the design at that time. This is a fine distinction. However, that public act of disclosure may fix the date on which the design is deemed to have been made available to the public.
20. In *Magmatic Ltd v PMS International Ltd* [2013] EWHC 1925; [2014] RPC 29, Arnold J took the view (at [36]) in the context of art.7(1) that the correct criterion is whether the *design* could reasonably have become known to the relevant circles in the Community. The point was not central to subsequent appeals in *Magmatic*, either in the Court of Appeal or the Supreme Court and so was not considered further.
21. Since the distinction is not important in the present case either, I will use the language of arts.7(1) and 11(2), referring to the requirement that the *event* could reasonably have become known to the relevant circles in the Community.
22. I turn to art.110(a)(5) – by which I will mean its second sentence, the only one quoted above; the first is not relevant. This second sentence was tagged on to the Act concerning the conditions of accession to the EU of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and the Slovak Republic. It was published on 23 September 2003 (OJ L236/33) and seems to have come into force on 22 November 2003. It is not clear what prompted the enactment of art.110(a)(5), although its wording implies an intent to clarify art.11 rather than to amend art.11.
23. The wording also suggests a wish to emphasise that a design will not enjoy protection as a UCD unless it has been made public within the *territory* of the Community. Yet in this context the Community is a territorial concept anyway (see for instance the first recital of the Design Regulation), so it is not immediately clear what that adds.
24. Communication No.5/03 of the President of the OHIM dated 16 October 2003 (OJ OHIM 2004, 69) did not shed much extra light. Section II/6 of the Communication included:

“Finally, Article 11 [of the Design Regulation] is qualified by the new Article 110(a)(5) which provides that, pursuant to Article 11, a design which has not

been made public within the territory of the Community shall not enjoy protection as an unregistered Community design.”

25. One possibility is that art.110(a)(5) was intended to address the ambiguity in art.11(1) discussed above. (Like the General Court in *Visi/one*, for simplicity of discussion I will assume hereafter that if the relevant event could reasonably have become known to those circles, the disclosure was not made under any condition of confidentiality.) The intention behind art.110(a)(5) may have been to clear up the ambiguity, clarifying that the former interpretation of art.11(1) is correct. This view of art.110(a)(5) has gained favour in Germany.

Judgments of courts in Germany

Thane

26. On 17 March 2004 the *Landgericht* in Frankfurt am Main gave judgment in *Thane International Group's Application*, Case 3/12, O 5/04; reported in translation at [2006] ECDR 71. Apparently art.110(a)(5) came too late to have any bearing on the court's decision and is not mentioned.
27. The claimant in *Thane* made abdominal muscle trainers under licence from a US manufacturer. The US manufacturer had advertised and sold the trainers in the US since May 2002. The trainers were not available in Europe until they were sold by the claimant in October 2002. The defendant sold a similar and rival product in Germany. The claimant sought to restrain the marketing of the defendant's product, relying on a UCD. The defendant argued that there was no valid UCD since the design had been prior published in the USA.
28. The court considered whether at the relevant date the design for which protection was claimed had been made available to the public. It ruled that the main part of art.7(1), i.e. the presumption, has no territorial limitation; it did not matter whether the use of the design in trade had occurred within the Community or outside it. The court also found that the events of advertising and sale in the US of the trainers embodying the design had become known to the relevant circles in the Community. Importantly, the court decided that the design was first made available to the public *within the Community*, under art.11, in October 2002. As of October 2002 the design was not

novel because of the US disclosure which had become sufficiently known to the relevant circles in the Community, and was accordingly not protected as a UCD,

29. By inference, the view of the Landgericht was:
- (1) for a design to be made available to the public in the Community within the meaning of art.11, the relevant event of disclosure must occur within the Community;
 - (2) since UCD protection does not exist until art.11 is satisfied, novelty is to be assessed as of the date of UCD protection coming into being;
 - (3) a design lacks novelty within the meaning of art.5(1)(a) if an event, within the meaning of art.7(1), has happened anywhere in the world, provided that the event could reasonably have become known to the relevant circles in the Community.

Gebäckpresse II

30. *Thane* was followed by Case I ZR 126/06 *Gebäckpresse II*, a judgment of the German Federal Supreme Court dated 9 October 2008. I was provided with an agreed translation.
31. The claimant was a Hong Kong company which had developed an electric pastry press, a device for pressing out shapes to make bakery products. The claimant applied for a registered design in China which was granted and published in May 2002. It was either agreed or found as a fact by a lower court that the publication of the design in China could reasonably have become known to the relevant circles in the Community. Between June and October 2002 the claimant's pastry press was sold in the UK. In November 2003 the defendant marketed a similar pastry press in Germany, leading to the litigation.
32. The Federal Supreme Court held that the publication of the registered design in China did not give rise to UCD protection because that publication had not made the design available to the public in the Community according to art.11 of the Design Regulation. That requires an act of disclosure within the territory of the Community, so it was irrelevant how well the disclosure in China was known to the relevant circles in the

Community. To the extent that there was any ambiguity about the meaning of art.11 in this regard, the ambiguity was removed by the enactment of the second sentence of art.101(a)(5). The court held that although the sentence was contained in an Act of Accession of new Member States, it has application in all Member States. It was intended to clarify art.11 to make it clear that the act of disclosure of a design must take place within the geographical confines of the Community in order for the design to attain UCD protection.

33. Although not spelt out, the court appears to have assumed that the novelty of a UCD cannot be assessed unless and until the UCD comes into existence. On the court's construction of art.11, that was in June 2002 when the claimant's press was first sold in the UK. The court distinguished 'making available to the public' under art.11 from 'making available to the public' under art. 7. The latter provision does not specify disclosure within the Community. In June 2002 the design lacked novelty because the publication of the claimant's design right in China would by then have been known to the relevant circles in the Community.
34. Thus, the three principles of law which I have inferred from the judgment in *Thane* were expressly or by inference approved by the Federal Supreme Court in *Gebäckpresse*. The court stated that a reference to the CJEU was not necessary because art.110(a)(5) had rendered any referable point of law in relation to art.11 *acte clair*.

Judgments of the CJEU in *Gautzsch* and the General Court in *Senz*

35. The third of those principles has since been confirmed by the CJEU: it is not necessary for an 'event' of art.7(1) to have taken place in the EU in order to give effect to the presumption that the design has been made available to the public when assessing novelty under art.5(1)(a). The presumption remains subject, of course, to the two exceptions. The CJEU's ruling was in *H. Gautzsch Großhandel GmbH & Co KG v Münchener Boulevard Möbel Joseph Duna GmbH* (Case C-479/12) EU:C:2014:75, [2014] RPC 28, at [33]; see also the judgment of the General Court in *Senz Technologies BV v OHIM* (Joined Cases T-22/13 and T-23/13) EU:T:2015:310, [2015] ECDR 19 at [26]-[28].

The remaining issues of law

36. The first and second questions of law have not been considered by the CJEU. To recap, they are:
- (1) For UCD protection to come into being under art.11, must the event of disclosure take place within the geographical confines of the Community, or is it sufficient that the event, wherever it took place, could reasonably have become known in the normal course of business to the relevant circles in the Community?
 - (2) Is novelty under art.5(1)(a) to be assessed as of the date on which UCD protection comes into being under art.11, or as of the date on which an event of disclosure of the design, wherever it took place, could first reasonably have become known in the normal course of business to the relevant circles in the Community?

Textbook commentary

37. In their helpful written and oral submissions, Mr Tritton and Mr Aikens both referred me to the reactions of text book authors and other commentators to the judgments in *Thane* and *Gebäckpresse*. I need only consider the text books.
38. In Stone, *European Union Design Law*, 2nd ed, the author accepts the view taken in the German courts while pointing out the consequent practical difficulties for designers, at ¶18.08-25. The authors of *Intellectual Property Law*, 5th ed., Bently, Sherman, Gangjee and Johnson, likewise adopt the law as stated in, or to be inferred from, *Gebäckpresse*, at pp.737-8, as does Hasselblatt, *Community Design Regulation (EC) No 6/2002, A Commentary*, pub. 2015, at p.155.
39. The authors of *Russell-Clarke and Howe on Industrial Designs*, 9th ed., Howe, St Ville and Chantrielle, do not share this view. They note (at ¶2-009) that arts.7(1) and 11(2) of the Design Regulation lay down a substantially identically worded test. They continue:

“In neither case would it appear that the act of disclosure need take place within the actual territory of the Community; it would appear both necessary and sufficient that the disclosure will reasonably have become known in the normal

course of business to the relevant circles within the Community. This test would appear to be satisfied, for example, if a new product is exhibited at a major trade exhibition held outside the Community but which is regularly attended by substantial members of persons in the trade from the Community.”

40. The authors go on to discuss art.110(a)(5), *Thane* and *Gebäckpresse* (at 2-100 and 2-101) and make a point about art.3 of TRIPs. The authors firmly disagree with the judgments of the German courts and conclude (at 2-102) that it is desirable that the question should be determined by the CJEU.

The arguments in the present case

41. Mr Aikens rightly emphasised the highly persuasive status of a judgment of the German Federal Supreme Court on a point of EU law. It follows from *Gebäckpresse*, he argued, that on the agreed facts of the present case, at the relevant date for assessing the novelty of the five UCDs in issue, January 2018, all lacked novelty because the designs had been disclosed at the Mega Show in the previous October and this event was known to the relevant circles in the Community.
42. Mr Tritton submitted that the Federal Supreme Court was wrong and that either of two alternative views of the law should be preferred. The first was that the date for determining both (a) when the UCD comes into existence and (b) the novelty of a UCD is the date on which an event of disclosure of the design first occurs, anywhere, in circumstances such that the event could reasonably have become known to the relevant circles in the Community.
43. The alternative view of the law advocated by Mr Tritton was that there are two dates to be considered. A UCD comes into existence as of the date of the first event of disclosure which takes place within in the Community. However, when it comes to assessing the novelty of the protected design, this must be done by reference to the date on which the design was disclosed for the first time anywhere in the world in circumstances such that the event could reasonably have become known to the relevant circles in the Community. Mr Tritton called this the ‘split date’ view.

44. Mr Aikens pointed out that the split date view figured nowhere in BHTB's pleadings and that PMS had not prepared its case to meet that argument, raised for the first time in Mr Tritton's skeleton argument.
45. I cannot see that PMS could have filed evidence to deal with the split date argument – it is an argument of law. Mr Aikens was able to make fluent submissions on the point even though he did not have much time to mull it over. Should it prove necessary I would require BHTB to amend its pleadings but in the meantime I will consider the argument in favour of a split date.
46. In support of his first construction of art.11, Mr Tritton argued that art.110(a)(5) is opaque and plainly does not amend art.11. The words used in the Design Regulation to assess whether a design has been made available to the public in art.11(2) are the same as those used for the same purpose in art.7(1). Therefore the words 'within the Community' in art.11(1) are mere surplusage. The date on which UCD protection commences must be the same as that on which the novelty of the design is to be assessed. It is clear from art.5(1)(a) that this is the date on which the design was first made available anywhere in the world provided that the event could reasonably have become known to the relevant circles in the Community.
47. Alternatively, Mr Tritton submitted, the split date view is correct. Even if art.110(a)(5) drives one to the view that UCD protection cannot start until an event of disclosure has taken place within the Community, it is significant that, in contrast with art.11(1) neither art.5 nor the first part of art.7(1), which set up the presumption, require that the design must be available *within the community*. The legislature must have intended that novelty is to be assessed as of the date of the first disclosure anywhere the world.
48. Finally, Mr Tritton relied on The Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPs'). TRIPs was approved by Council Decision (EC) 94/800 of 22 December 1994 and it was common ground that since the EU is a party to the Agreement, the Design Regulation must, so far as is possible, be construed consistently with TRIPs.
49. Art.3 of TRIPs provides that, subject to stated exceptions not relevant here:

“Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, ...”

50. Mr Tritton argued that if the view of the law taken in *Gebäckpresse* were correct, it would work in favour of those who first disclose their designs by means of an event within the EU and that this would be a covert form of discrimination in favour of EU nationals.
51. Mr Tritton also referred me to the judgment of the CJEU in *Tod's SpA v Heyraud SA* (Case C-28/04) EU:C:2005:418.

Discussion

52. With regard to the first question of law identified above, I take the view that the event giving rise to the disclosure of a design must take place within the territory of the Community in order for UCD protection to come into being within the meaning of art.11. Art.11(1) refers to a design first made available to the public ‘within the Community’ whereas art.5(1)(a) does not. As I have discussed, art.11(1) is not free from ambiguity but I do not accept that the words ‘within the Community’ can be dismissed as mere surplusage, as Mr Tritton submitted. Moreover, art.110(a)(5) would be of no effect at all unless it was intended to clarify this as the correct interpretation of art.11. I must assume that the European legislature did not have it in mind to enact a pointless piece of legislation and no conceivable purpose for art.110(a)(5) was identified save that given to it by the Federal Supreme Court.
53. As to the second question of law, my impression is that the point was not dealt with directly in *Gebäckpresse*. That may be the fault of the translation provided, but there is a clear inference to be drawn from the judgment as to what the Federal Supreme Court’s view was. I am in agreement with that inferred view. In my judgment, novelty under art.5(1)(a) falls to be assessed as of the date on which UCD protection comes into being under art.11. The words ‘the design for which protection is claimed’ in art.5(1)(a) supports this construction.
54. Although not put this way by Mr Tritton, I think the burden of his argument was the words I have just quoted should be interpreted to mean ‘the design for which protection

is *now* claimed'. In other words, the design in issue should be detached from the specific UCD being considered in art.5(1)(a). That is not a straightforward reading of art.5(1)(a). Also, once the design is detached from the UCD under contemplation, difficulties follow. If an identical design has been created and made public on different dates by different designers, it would not be easy to know which of them is the design in issue and thereby to know the relevant date for assessing novelty. Alternatively, if the date on which the design was first made available to the public is all that matters, no design could ever lack novelty.

55. With regard to TRIPs, I can see that it is arguable that entities domiciled in the EU are more likely to market newly designed articles first within the Community and thereby to gain UCD protection for the design, as opposed to those domiciled outside the EU who may be more likely to market first outside the Community and thereby risk depriving themselves of UCD protection. However, the European legislature has not in the past been averse to a Fortress Europe approach to legislation and this has been upheld by the CJEU. An example is the adoption of European, as opposed to international, exhaustion of IP rights. This approach tends to favour the protection of the home European market of entities domiciled in Europe, see for example *Zino Davidoff SA v A&G Imports Ltd* (Joined Cases C-414/99 to C-416/99) EU:C:2001:617; [2002] Ch 109.
56. I did not find *Tod's SpA* to be greatly of assistance since it concerns discrimination within the EU contrary to art.12 EC (now art.18 TFEU) and its potential effect on intra Community trade.
57. It follows that I respectfully share the view of the Federal Supreme Court that in order for a design to be afforded UCD protection, the event giving rise to the first disclosure of the design – such as the marketing of a product made according to the design – must first take place within the territory of the EU. If before that date there has been an event outside the EU giving rise to the design being disclosed, in circumstances such that the event could reasonably have become known in the normal course of business to the relevant circles in the Community, the design for which protection is sought will lack novelty.

58. However, I do not agree that this view is sufficiently free from doubt such that the two points of law are collectively *acte clair*.

Should there be a reference to the CJEU?

59. At the conclusion of the hearing I asked counsel to provide me with brief written submissions stating their respective clients' views as to whether there should be a reference to the CJEU pursuant to art.267 TFEU.
60. Both parties submitted that if I reached the conclusion that the overall issue of law was not *acte clair*, I should make a reference. I agree. I understand that the question whether the marketing of a product or other event giving rise to the disclosure of a design must first happen within the EU in order for that design to be afforded UCD protection is a matter of widespread interest. Those interested would therefore benefit from an authoritative statement of the law by the CJEU. That includes and will continue to include parties who trade from within the UK.
61. At one time there would have been the option, often having merit in this court, to leave the question of a reference to be decided by the Court of Appeal should there be an appeal. But given the current circumstances consequent upon the notification by the UK under art.50 TEU, it is not likely that the Court of Appeal would ever be entitled to make a reference.

Questions to be referred

62. Counsel provided suggestions as to the questions to be put to the CJEU. Having considered those suggestions, I propose to ask the following questions, subject to any further comment from the parties:
- (1) For the protection of an unregistered Community design to come into being under art.11 of Council Regulation (EC) No. 6/2002 of 12 December 2001 ('the Regulation'), by the design being made available to the public within the meaning of art.11(1), must an event of disclosure, within the meaning of art.11(2), take place within the geographical confines of the Community, or is it sufficient that the event, wherever it took place, was such that, in the normal course of business, the event could reasonably have become known to the circles

specialised in the sector concerned, operating within the Community (assuming the design was not disclosed in confidence within the terms of the final sentence of art.11(2))?

- (2) Is the date for assessing the novelty of a design for which unregistered Community design protection is claimed, within the meaning of art.5(1)(a) of the Regulation, the date on which the unregistered Community design protection for the design came into being according to art.11 of the Regulation, or alternatively the date on which the relevant event of disclosure of the design, within the meaning of art.7(1) of the Regulation, could reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community (assuming that the design was not disclosed in confidence within the terms of the final sentence of art.7(1)), or alternatively some other, and if so, which date?