

Case C-323/24**Summary of the request for a preliminary ruling pursuant to Article 98(1) of the Rules of Procedure of the Court of Justice****Date lodged:**

2 May 2024

Referring court:

Juzgado de lo Mercantil Número 1 de Alicante (Spain)

Date of the decision to refer:

13 December 2023

Applicant:

Deity Shoes, S. L.

Defendants:

Mundorama Confort, S. L.

Stay Design, S. L.

Subject matter of the main proceedings

Intellectual property – Community designs – Scope of the protection – Novelty – Individual character – Genuine design activity – Features of appearance of footwear – Customisation of components offered in an existing catalogue – Degree of customisation required – Freedom of the designer in developing the design – Possibility of protecting the appearance of all or part of a product which is produced on the basis of known fashion trends.

Subject matter and legal basis of the request

Request for a preliminary ruling on interpretation – Article 267 TFEU – Interpretation of Articles 4, 5, 6, 14 and 25 of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs ('Regulation No 6/2002' or 'RCD').

Questions referred for a preliminary ruling

(a) In order for a design to be covered by the system of protection under Council Regulation (EC) No 6/2002 of 12 December 2001, is it necessary for there to be a genuine design activity in such a way that the design is the result of the intellectual effort of its creator? And, in that regard, may a combination of components on the basis of models whose features of appearance are for the most part predetermined by the trading undertakings, with the effect that modifications to certain features are to be regarded as ad hoc and incidental, be regarded as a genuine design activity?

(b) In the light of the foregoing, may all or some of the feature[s] of appearance of a product resulting from the customisation of designs that are offered by Chinese trading undertakings, in accordance with those undertakings' catalogues, be regarded as having individual character within the meaning of Article 6 [of] Council Regulation (EC) No 6/2002 of 12 December 2001, where the activity of the owner of the design is limited to marketing those designs in the EEA without modification or with specific modifications of components (such as soles, rivets, laces, buckles and so forth) and the features of appearance are predetermined for the most part by the trading undertakings? In that regard, is it relevant that the components are not designed by the European marketing undertaking either, but are components offered by the trading undertaking itself in its catalogue?

(c) Must Article 14 [of] Council Regulation (EC) No 6/2002 of 12 December 2001 be interpreted as meaning that a person may be regarded as the designer in relation to a design where, on the basis of a design offered by trading undertakings in accordance with a catalogue, he or she has merely customised that prior design by modifying components also offered by the trader, and those components have not been designed by the European marketing undertaking? In that regard, is it necessary to prove a specified degree of customisation in order to demonstrate that the final form departs significantly from the original design and thus that authorship may be claimed?

(d) Without prejudice to the foregoing, in a case such as the present case, in view of the particular characteristics of footwear designed on the basis of trading operators' sample books and, in so far as the 'design' is limited to selecting existing designs from a sample book and, where appropriate, to varying some of their components, from those in the catalogue which the manufacturer itself (the trading undertaking) offers, all in accordance with fashion trends, must it be understood that those fashion trends: (a) restrict the designer's freedom in such a way that minor differences between the registered (or unregistered) design and another model are sufficient to give a different overall impression or, conversely, (b) detract from the individual character of the registered (or unregistered) design with the effect that those elements or components are of less importance in the overall impression they produce on the informed user in so far as they result from known fashion trends when compared with another model?

Provisions of European law relied on

Charter of Fundamental Rights of the European Union: Article 17(2)

Articles 4, 5, 6, 14 and 25 of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs

Provisions of national law relied on

1. Case-law.

1.1. Judgment of the Supreme Court (STS), Civil Section 1 of 25 June 2014 (ROJ: STS 2804/2014 – ECLI:ES:TS:2014:2804):

‘1. In defining the scope of protection conferred by a registered design, Article 9(1) of Directive 1998/71/EC provides that it “shall include any design which does not produce on the informed user a different overall impression”. Paragraph 2 adds: “In assessing the scope of protection, the degree of freedom of the designer in developing his design shall be taken into consideration”.

2. The General Court has held that “the designer’s degree of freedom in developing his design is established, *inter alia*, by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product. Those constraints result in a standardisation of certain features, which will thus be common to the designs applied to the product concerned” (judgment of the General Court of 21 November 2013, T-337/12).

It also rejected the proposition that a general design trend could be regarded as a factor which restricts the designer’s freedom, since it is precisely that freedom on the part of the designer which allows him to discover new shapes and new trends or even to innovate in the context of an existing trend (judgments of the General Court of 22 June 2010, T-153/08, and of 13 November 2012, T-83/11 and T-84/11).

Although those judgments were issued in relation to Regulation No 6/2002, the case-law contained therein is also applicable to Directive 1998/71/EC of 13 October, since the issue is treated in the same way in both texts.

3. Since the Supreme Court is aware that the issue is disputed, it considers that fashion trends, understood in a broad sense, are not a factor which restricts the designer’s freedom, but that they are relevant in determining the distinctive character of the registered design and, consequently, the scope of protection they grant to the owner of the design and the degree of differentiation that a competitor’s design must have in order for it to produce a different overall impression.

If those trends existed prior to the application for registration of the design, that is to say, if the registered design followed the market trends that existed at the time it was applied for, that will diminish its individual character. Therefore, as explained above, if the similarities between the product considered to be infringing and the registered design lie in elements that correspond to fashion trends existing when the registration was applied for, those elements will have less importance in the overall impression they produce on the informed user and it will be necessary to consider that both designs produce a different overall impression on the informed user, and that there will therefore be no infringement, even with a lesser degree of differentiation than would be required if the registered design did not reflect those fashion trends.

If, however, those fashion trends post-date the registration of the design, with the result that it may be inferred that such a design has a considerable degree of individuality because it anticipated fashion trends, or was even decisive in the development of those trends, that greater individual character cannot be diluted by allowing competitors to market products with a similar design, which do not produce a different overall impression on the informed user, on the pretext that the freedom of the designer of the subsequent design is restricted by the requirements of fashion.

4. The consequence of the foregoing is that an interpretation of the applicable national legislation in the light of the wording and purpose of the directive did not require market trends to be regarded as a restriction of the designer's freedom for the purposes of determining the degree of protection of the registered design under the Estatuto de la Propiedad Industrial (Industrial Property Law, 'IPL').

Succinct presentation of the facts and procedure in the main proceedings

- 1 On 10 December 2021, Deity Shoes, S. L. brought an infringement action against Mundorama Confort S.L. and Stay Design S.L.
- 2 On 12 April 2022, Mundorama Confort S.L. and Stay Design S.L. replied to the claim by filing a counterclaim seeking a declaration of invalidity of the applicant's designs.
- 3 On 24 May 2022, Deity Shoes S.L. responded to the counterclaim.
- 4 Deity Shoes S. L. has brought actions for infringement of both registered and unregistered Community designs for various models of shoes against Mundorama Confort S.L. and Stay Design S.L.
- 5 Mundorama Comfort S.L. and Stay Design S.L. are both counterclaiming, for certain models, the right of prior use pursuant to Article 22(1) of the RCD, and, with regard to the points relevant in the present case, the invalidity of the Deity Shoes models on the ground of lack of novelty and individual character.

- 6 They also claim that there is no innovation involved in the production of the designs since the relevant undertakings market products offered by trading undertakings located entirely in China.
- 7 In that regard, it is common ground that the two undertakings operate in the same sector in the marketing of footwear.
- 8 They are not undertakings dedicated to innovation, but are engaged in purchasing footwear in China in a market where the relevant factors are volume and price.
- 9 In that regard, it is common ground that the process leading to the marketing of the footwear is as follows:
 - (i) the parties' suppliers are trading undertakings located entirely in China, and they cover for them the entire operation of import and export of the products;
 - (ii) the Chinese trading undertakings transfer to the relevant staff of the parties – usually sales and marketing staff – various product sample books;
 - (iii) the staff members concerned analyse the products in the sample books and propose to the suppliers specific modifications of their features (such as colour, some materials, the location of the buckles, laces and other decorative elements);
 - (iv) once the characteristics of the final product have been agreed, the Chinese suppliers send the goods to Spain together with the appropriate certificates detailing the process of customisation of the footwear.
- 10 In that respect, it is common ground that the models which Deity Shoes claims it owns are customised models based on the models offered by the Chinese trading undertakings through their catalogues.
- 11 No certificates of customisation have been produced to enable the referring court to determine what changes have been made to each of the models.
- 12 It has not been established that the applicant has a design team or that the designs that it claims have been infringed have been the subject of genuine design activity. At most, changes have been made to the basic model offered in the Chinese trading undertaking's catalogues.
- 13 In other words, the features of appearance of the models marketed are mostly predetermined by the model offered by the Chinese supplier, with the effect that modifications of certain elements must be considered ad hoc and incidental (such as, for example, colour, some materials, the location of the buckles, laces and other decorative elements).

- 14 According to the referring court, price is a very important factor in that sector and any change to the basic model, involving greater customisation, leads to an increase in costs that reduces the margins of the European marketing undertakings. There is therefore no real incentive to make substantial changes to the basic models offered by the Chinese trading suppliers.
- 15 Changes to specific elements such as colour, some materials, the sole, the location of the buckles, laces and other decorative elements are also shown in the catalogue offered by the trading undertaking.
- 16 Lastly, the registered designs and unregistered models do not have any fashion component at all. In fact, they are inspired by known fashion trends that make it possible to secure the sale of the large orders placed with factories in China. In that respect, it may be understood that, in a sector in which the main factors to be taken into account are volume and price, the designers' margin for manoeuvre is very limited in comparison with other types of footwear with a fashion component that lasts several seasons, since there is no investment in innovation.
- 17 The models in question must therefore reproduce aesthetic trends that are well known in the world of fashion; they are re mass-produced by the trading undertakings at low cost for subsequent marketing on the EU market.

The essential arguments of the parties in the main proceedings

A. For Deity Shoes

- 18 As regards the first question, Deity Shoes points out, through its defence, that, where a design is considered to comply with the requirements of novelty and individual character, it cannot be denied that there is an 'intellectual effort' or a 'genuine design activity' behind it. It therefore argues that there is no need to refer the first question for a preliminary ruling. However, should it be decided to raise that question, Deity Shoes suggests that the question be rephrased as follows: 'Does Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs require a designer, in order to benefit from the protection it confers, to make an intellectual effort additional to that of configuring the appearance of the whole or a part of a product, resulting from the specific features relating, in particular, to the lines, configuration, colour, shape, texture and/or materials of the product itself or of its decoration?'
- 19 As regards the second question, Deity Shoes states that it is irrelevant that the modifications are made using options 'from those in the trading undertaking's own catalogue'. It is also a well-known fact that footwear components are designed and manufactured by the ancillary component industry and are rarely sold on an exclusive basis. Finally, in order to answer the question, the type and number of components offered by the hypothetical trading undertaking must be taken into account, as well as the possibility for the designer to incorporate third-

party components, as no manufacturer or supplier of footwear components has an unlimited catalogue, nor does the catalogue limit the options available to the designer to incorporate third-party components. Moreover, it should be borne in mind that a limited catalogue of components may give rise to an infinite number of theoretical possibilities, just as combinations of 27 letters make it possible to form all the words in the Spanish language. The applicant therefore submits that there is no need to refer the second question for a preliminary ruling.

- 20 As regards the third question, the applicant argues that as regards the requirement for a specified degree of ‘customisation’, the RCD already provides that the condition to be fulfilled by a combination of features or components is that the combination of components must be new, that is to say, must not have previously been made public, and that it must have an individual character, that is to say, the overall impression produced by the design on informed users must differ from the overall impression produced by any other design which has been made available to the public.
- 21 In that respect, it is unclear why the case of an undertaking that obtains its supplies from a Chinese trading company should be treated differently from any other design which combines isolated components or features of known designs, whether or not they are in a catalogue, from China or any other country, or which otherwise form part of the portfolio of standard shapes.
- 22 As regards the final question referred, the applicant submits, in essence, that the fact that the design is obtained by combining different components included by an undertaking in its catalogue does not restrict the designer’s freedom; the designer may seek an overall impression that differs from the overall impression produced by any other footwear model that has been made available to the public, either by seeking a different combination of components, which is new and has an individual character, or by modifying one of those components. It adds that that is the case for all footwear designers.

B. For Mundorama Comfort S.L. and Stay Design S.L.

- 23 As regards the first question, Mundorama Comfort S. L. and Stay Design S. L. maintain, through their defence, that it is indeed necessary to refer that question for a preliminary ruling in so far as the substance of the question is whether the RCD has the flexibility to allow access to protection for any designs, irrespective of whether or not they are the result of a prior creative process constituting a ‘genuine design activity’. They recognise, however, that Articles 4(1) and 25(1)(b) of the regulation have nothing to say regarding the creative process and that the wording of the regulation itself does not seem to require a creative process. However, in the defendants’ view, such a requirement cannot be ruled out on the basis of textual interpretation.
- 24 In view of the foregoing, the defendants submit that the question should be: Does Regulation (EC) No 6/2002 require that a design, in order to fall within the scope

of the protection conferred by the regulation on both registered and unregistered designs, must be the result of the intellectual effort of its designer and not a product that is developed on the basis of known trends with minor modifications taken from the Chinese trading undertaking's own catalogue, and with no fashion component?

- 25 With regard to the second question, the defendants argue that the substance of that question, which is closely linked to the first, is to be found in the question whether (i) the RCD has the flexibility to allow access to protection for any designs that have (or have not) undergone mere 'customisation' of their components; and (ii) it is relevant that those components are also not the result of 'a genuine design activity' but are offered by Chinese trading suppliers to all operators in the sector.
- 26 In that respect, the defendants argue that the second question should be rephrased as follows: 'For the purposes of protecting the appearance of all or part of a product under Regulation (EC) No 6/2002 on Community designs, is it relevant that none of its components is the result of the intellectual effort of its creator, but the components are offered in a supplier's catalogue where the catalogue is not offered exclusively to an undertaking but is offered to all operators in the sector? Or, on the other hand, is it relevant, for the purposes of protecting the appearance of all or part of a product under Regulation (EC) No 6/2002, that the applicant for or holder of protection, on the basis of a prior design offered by suppliers, merely customised that prior design by modifying components also offered by the supplier in its catalogue to the various operators in the sector?'
- 27 As regards the third question, those parties consider that it should be rephrased as follows: 'Is Article 14 of the regulation to be interpreted as meaning that a person who, on the basis of a prior design offered by Chinese trading undertakings, has merely customised that prior design by modifying components also offered by the Chinese trading undertaking that have not been designed by the European marketing undertaking, may be regarded as the owner of the design? In that regard, is it necessary to prove a specified degree of customisation in order to be able to claim ownership of the design?'
- 28 As regards the fourth question, the defendants essentially agree with the content of the question referred.

Succinct presentation of the reasoning in the request for a preliminary ruling

- 29 The referring court asks the Court of Justice about the scope of protection of Community designs and ownership of designs in the case of footwear undertakings that have merely chosen between various options offered by a trading undertaking's catalogue, where the features of appearance are largely predetermined by the model offered by the Chinese supplier, with the effect that modifications of certain elements must be regarded as ad hoc and ancillary.

- 30 By the first question referred for a preliminary ruling, the Court of Justice is asked about the conditions necessary for it to be understood a design and, in particular, whether the analysis must be limited to the elements of novelty and individual character or, as the case may be, whether there is an additional requirement that applies in order for the designer to be able to claim ownership. It is asked whether there is an implicit requirement in EU law concerning the need for a genuine design activity. That is to say, whether it is necessary, in order for a design to be covered by the system of protection under Regulation No 6/2002, for there to be a genuine design activity, and that the design is therefore required to be the result of the intellectual effort of its creator and not a product that is developed on the basis of known fashion trends?
- 31 As regards the first question referred for a preliminary ruling, the referring court considers that it is necessary to determine whether protection may be accorded to the appearance of all or part of a product that is the result of the customisation of designs offered by Chinese trading undertakings in accordance with those undertakings' catalogues, where the activity of the owner of the design is limited to marketing those designs in the EEA without modifications or with modifications of components (such as soles, rivets, laces, buckles and so forth) based on options in the catalogue offered by the trading undertaking. In that regard, it asks whether it is relevant that none of the components is genuinely designed by the undertaking marketing the final product but the components are offered by the Chinese trading undertaking in the catalogue, where the catalogue is not offered exclusively to one undertaking but is offered to all operators in the sector.
- 32 The second question referred for a preliminary ruling changes the scope of the discussion. The Court of Justice is asked about the very concept of 'individual character' in a case such as the present case, where the design is based on a model offered in a Chinese trading undertaking's catalogue, which not only follows general and well-known fashion trends but is the result of the ad hoc alteration of components also offered in a catalogue by trading undertakings, without a fashion component.
- 33 In models of that type, the fact that inspiration is taken from known fashion trends is relevant, as that is what makes it possible to secure the sale of large volumes of orders. In products of that type, it seems that the differential element is not the design but the price of the product, as that is what makes orders and subsequent marketing profitable.
- 34 By its third question, the referring court asks about the concept of 'designer' such that, in the event of a dispute as to the existence of a design, the owner of the design must prove the existence of a specified degree of customisation in order to be able to claim authorship.
- 35 By its fourth question, the referring court reproduces the case-law of the Supreme Court set out in the judgment of Civil Section 1 of 25 June 2014,

STS 2804/2014 – ECLI:ES:TS:2014:2804, and asks whether, given the particular characteristics of the footwear described in the terms set out in the fourth question, which follows fashion trends, those fashion trends should be regarded as (a) restricting the designer's freedom in such a way that minor differences are sufficient to give a different overall impression or, conversely, (b) detracting from the distinctiveness of the design with the effect that those elements or components are of less importance in the overall impression they produce on the informed user in so far as they result from known fashion trends.

WORKING DOCUMENT