Case C-227/23

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:

11 April 2023

Referring court:

Hoge Raad der Nederlanden (Netherlands)

Date of the decision to refer:

31 March 2023

Appellants:

Kwantum Nederland BV

Kwantum België BV

Respondent:

Vitra Collections AG

Subject matter of the main proceedings

The action in the main proceedings involves a dispute between Kwantum Nederland BV and Kwantum België BV (together, 'Kwantum'), on the one hand, and Vitra Collections AG ('Vitra'), on the other, concerning a chair marketed by Kwantum which allegedly infringes Vitra's copyrights.

Subject matter and legal basis of the request

This request under Article 267 TFEU concerns the question whether a designer chair of US origin enjoys copyright protection in the Netherlands and Belgium as a 'work of applied art'. In that regard, it is important, first, to ascertain whether, in view of the first paragraph of Article 351 TFEU, the situation at issue in the main proceedings falls within the scope of EU law. The question is then whether and, if so, how the so-called material reciprocity test of Article 2(7) of the Berne Convention for the Protection of Literary and Artistic Works ('the BC') must be

applied in view of the rights and obligations enshrined in the Charter of Fundamental Rights of the European Union ('the Charter').

Questions referred for a preliminary ruling

1. Does the situation at issue in these proceedings fall within the material scope of EU law?

Should the preceding question be answered in the affirmative, the following questions are also submitted.

2. Does the fact that copyright on a work of applied art forms an integral part of the right to protection of intellectual property enshrined in Article 17(2) of the Charter mean that EU law, in particular Article 52(1) of the Charter, in order to limit the exercise of copyright (within the meaning of Directive 2001/29/EC) on a work of applied art by application of the material reciprocity test of Article 2(7) BC, requires this limitation to be provided for by law?

3. Must Articles 2, 3 and 4 of Directive 2001/29/EC and Articles 17(2) and 52(1) of the Charter, read in the light of Article 2(7) BC, be interpreted as meaning that it is solely for the EU legislature (and not for national legislatures) to determine whether the exercise of copyright (within the meaning of Directive 2001/29/EC) in the European Union can be limited by application of the material reciprocity test provided for in Article 2(7) BC in respect of a work of applied art whose country of origin within the meaning of the Berne Convention is a third country and whose author is not a national of an EU Member State and, if so, to define that limitation clearly and precisely (see judgment of 8 September 2020, *Recorded Artists Actors Performers*, C-265/19, EU:C:2020:677)?

4. Must Articles 2, 3 and 4 of Directive 2001/29/EC, read in conjunction with Articles 17(2) and 52(1) of the Charter, be interpreted as meaning that as long as the EU legislature has not provided for a limitation of the exercise of copyright (within the meaning of Directive 2001/29/EC) on a work of applied art by application of the material reciprocity test of Article 2(7) BC, EU Member States may not apply that test in respect of a work of applied art whose country of origin within the meaning of the Berne Convention is a third country and whose author is not a national of an EU Member State?

5. In the circumstances at issue in the present proceedings and given the time of the establishment of (the predecessor of) Article 2(7) BC, are the conditions of the first paragraph of Article 351 TFEU satisfied for Belgium, meaning that Belgium is therefore free to apply the material reciprocity test provided for in Article 2(7) BC, taking into account the fact that in the present case the country of origin acceded to the Berne Convention on 1 May 1989?

Provisions of European Union law relied on

Article 351, first paragraph, TFEU

Articles 17(2) and 52(1) of the Charter

Articles 2, 3 and 4 of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society ('Directive 2001/29')

Provisions of international law relied on

Article 2(7) BC

Succinct presentation of the facts and procedure in the main proceedings

1 Vitra is a Swiss company which produces designer furniture, including chairs designed by the now-deceased American couple Charles and Ray Eames. One of the Eames chairs produced by Vitra is the 'Dining Sidechair Wood' ('the DSW'). In 2014, it found that Kwantum offered and marketed a chair similar to the DSW under the name 'Paris' ('the Paris chair'). According to Vitra, this constitutes an infringement of its copyright.

2 Vitra brought an action before the Rechtbank Den Haag (District Court, The Hague, Netherlands; 'the Rechtbank') seeking, inter alia, cessation of the alleged infringement of its copyright, surrender for destruction of the Paris chairs and an order that Kwantum pay damages. The Rechtbank held that Kwantum did not infringe Vitra's copyrights and that it did not act unlawfully by marketing the Paris chair.

3 The Gerechtshof Den Haag (Court of Appeal, The Hague, Netherlands; 'the Gerechtshof') set aside the decision of the Rechtbank on appeal and ruled that, from 22 March 2017, Kwantum infringed Vitra's copyright with the Paris chair and, since 8 August 2014, had acted unlawfully towards Vitra by marketing the Paris chair. Kwantum lodged an appeal in cassation against that judgment before the referring court, the Hoge Raad der Nederlanden (Supreme Court of the Netherlands; 'the Hoge Raad').

The essential arguments of the parties in the main proceedings

4 The present dispute concerns the applicability and scope of the material reciprocity test of Article 2(7) BC. That provision entitles in another country of the Union works protected in the country of origin solely as designs and models to such special protection as is granted in that country to designs and models in that country.

5 In the judgment under appeal, the Gerechtshof found that it is important for the material reciprocity test how the object in question – the DSW in this case – is treated in the country of origin, which is the United States in this case. According to the Gerechtshof, the only requirement, in that regard, is that the particular object is classified in the country of origin as a 'work of applied art' that is eligible for copyright protection. It does not need, therefore, to enjoy actual copyright protection in the country of origin.

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

6 The question in the appeal is whether the material reciprocity test can indeed be applied in the present case. The European Union is not a party to the Berne Convention nor is there legislation at European level for the material reciprocity test of Article 2(7) BC. This means, in principle, that EU Member States themselves may decide whether or not to disapply that test in respect of a work whose country of origin is a third country or whose author is a third-country national. However, it could be inferred from the judgment of the Court of Justice of 8 September 2020, *Recorded Artists Actors Performers* (C-265/19, EU:C:2020:677; 'the *RAAP* judgment') that the material reciprocity test of Article 2(7) BC may not be applied within the EU to a work or author from a third country, even though the Berne Convention is not part of EU law, unlike the World Intellectual Property Organization's Performances and Phonograms Treaty ('the WPPT') at issue in the *RAAP* judgment. Nevertheless, the EU has committed itself in conventions (the Agreement on Trade-Related Aspects of Intellectual Property Rights and the World Intellectual Property Organization's Copyright Treaty), to comply with Articles 1 to 21 of the BC.

7 The *RAAP* judgment concerned the application of the material reciprocity test of Article 4(2) WPPT to American performers. In that regard, the Court of Justice held, inter alia, that the right to a single equitable payment at issue in that case is a related right in the European Union and thus forms an integral part of the right to protection of intellectual property enshrined in Article 17(2) of the Charter. It is therefore required under Article 52(1) of the Charter that any limitation on the exercise of that related right must be provided for by law. Since that right stems from a harmonised rule, it is for the EU legislature alone, and not for national legislatures, to determine whether the grant in the European Union of that right should be limited in respect of the nationals of third States and, if so, to define that limitation clearly and precisely.

Significance of the RAAP *judgment for the application of Article 2(7) BC in the European Union*

8 Article 2(a) of Directive 2001/29 provides that Member States are to provide authors with the exclusive right to authorise or prohibit the reproduction of their works. It follows from the judgment of the Court of Justice of 16 July 2009, *Infopaq International* (C-5/08, EU:C:2009:465), that the concept of 'work' is a

harmonised concept of EU law. In that judgment, the Court held that the different parts of a work enjoy protection under Article 2(a) of Directive 2001/29, provided that they contain some of the elements which are the expression of the intellectual creation of the author of the work. If that condition is met, a work is protected by copyright.

9 It follows from the judgment of the Court of Justice of 12 September 2019, *Cofemel* (C-683/17, EU:C:2019:721), that copyright protection is granted also to a work of applied art which falls within the concept of work in Article 2 of Directive 2001/29. In that judgment, the Court held that objects must be classified as 'works' within the meaning of Directive 2001/29 if they fall within the concept of 'work' and, as such, must enjoy copyright protection in accordance with Directive 2001/29.

10 It follows from the foregoing that copyright on a work of applied art is also an integral part of the right to the protection of intellectual property enshrined in Article 17(2) of the Charter. In this context, the *RAAP* judgment raises the question whether EU law also requires that this limitation be provided for by law in respect of the exercise of copyright on a work of applied art by application of the material reciprocity test provided for in Article 2(7) BC. Moreover, it can be inferred from the *RAAP* judgment that this is exclusively a task of the EU legislature. However, as EU law currently stands, the EU legislature has not provided for such a limitation on the exercise of copyright on a work of applied art. The consequence of this could be that Member States may not apply the material reciprocity test provided for in Article 2(7) BC.

Article 351, first paragraph, TFEU

11 When the European Economic Community was established in 1957, the Member States did not wish to call into question their previously made international commitments. The first paragraph of Article 351 TFEU therefore reads as follows:

'The rights and obligations arising from agreements concluded before 1 January 1958 … between one or more Member States on the one hand, and one or more third countries on the other, shall not be affected by the provisions of the Treaties.'

Kwantum submits that the material reciprocity test provided for in Article 2(7) BC falls within the scope of the first paragraph of Article 351 TFEU. In that case, EU law, irrespective of its interpretation in the *RAAP* judgment, does not preclude the applicability of Article 2(7) BC.

12 Article 351 TFEU, however, applies only to convention obligations entered into before 1 January 1958. The Netherlands acceded to the Brussels revision of the Berne Convention on 16 November 1972, which entered into force for the Netherlands on 7 January 1973. For Belgium, however, the Brussels revision of the Berne Convention did enter into force before 1 January 1958. This may mean

that Kwantum's reliance on the first paragraph of Article 351 TFEU is valid in so far as Vitra's claims relate to copyright protection in Belgium.

13 Next, the question arises whether, for the purposes of copyright protection in Belgium and the application of Article 351 TFEU, it is significant that the country of origin in the present case, namely the United States of America, acceded to the Berne Convention (Paris version) on 1 March 1989, and whether the obligations arising from the Berne Convention vis-à-vis that particular convention State therefore arose after 1 January 1958.

Reasonable doubt

14 In view of the above considerations, there is reasonable doubt as to whether, first, the situation at issue falls within the substantive scope of EU law and, second, whether, in the absence of EU rules in that regard, the material reciprocity test provided for in Article 2(7) BC may be applied in the Netherlands or in Belgium in respect of a work of applied art from a third country, the author of which is not a Member State national of the European Union. The Hoge Raad therefore refers the questions set out above for a preliminary ruling.