



DECISION
of the Third Board of Appeal
of 11 February 2008

In Case R 64/2007-3

ISS Manufacturing Limited

Unit 4, 5 & 6, 6th Floor
Chai Wan Industrial City Phase II
70 Wing Tai Road
Chai Wan
Hong Kong

Appellant

represented by MARCH & ASOCIADOS, C/ Roger de Llúria, 118, 3^o 1^a,
E-08037 Barcelona, Spain

v

Christian M. Andersen

Vesterbyvej 15, 1.sal.
DK-2820 Gentofte
Denmark

Respondent

represented by KOCH / CHRISTENSEN, Sankt Annæ Plads 6,
DK-1250 Copenhagen K, Denmark

APPEAL relating to Invalidity Proceedings No ICD 2855 (Registered Community Design No 518626-0001)

THE THIRD BOARD OF APPEAL

composed of Th. Margellos (Chairperson), D.T. Keeling (Rapporteur) and
C. Rusconi (Member)

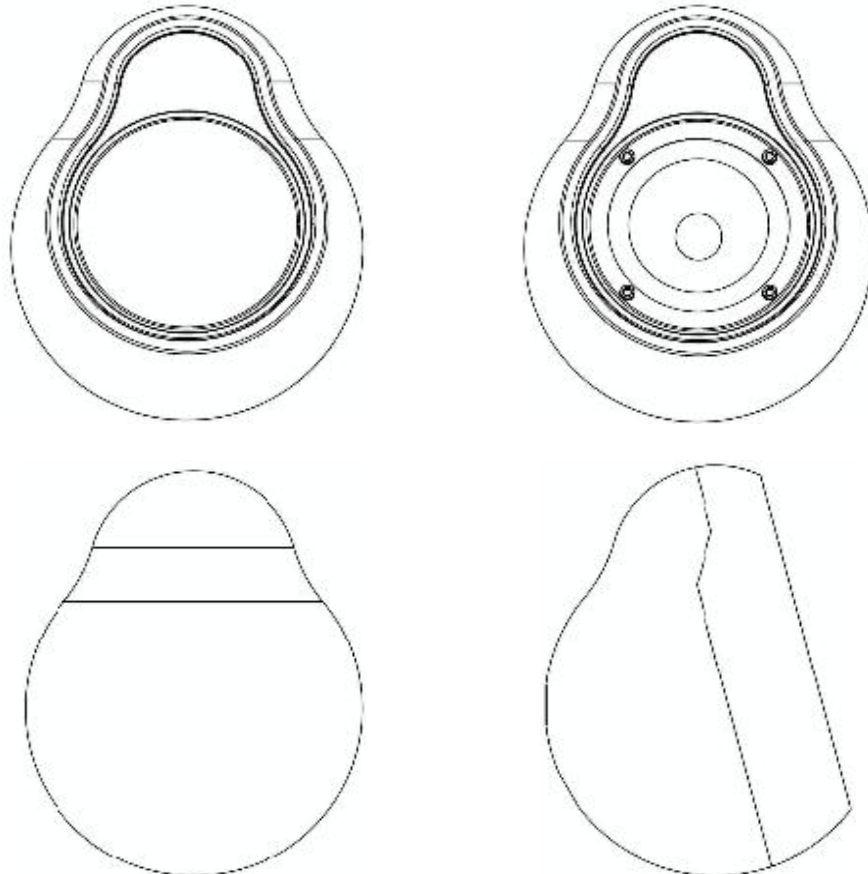
Registrar: J. Pinkowski

gives the following

Decision

Summary of the facts

- 1 The respondent is the holder of Registered Community Design No 518626-0001 ('the contested RCD'), which has a filing date of 27 April 2006. The contested RCD is registered for 'loudspeakers'. It is represented as follows:



- 2 On 19 June 2006 the appellant filed an application for a declaration of invalidity against the contested RCD. The appellant used the form made available by the Office for that purpose. On the part of the form where the applicant is asked to indicate the grounds of invalidity the appellant placed a tick in the box next to the words 'other(s) according to Article 25(1)(c), (d), (e), (f) or (g) CDR'. 'CDR' is short for Community Design Regulation and refers to Council Regulation (EC) No 6/2002 of 12 December 2001 on Community Designs (OJ EC 2002 No L 3, p.1).
- 3 As evidence the appellant attached a copy of an employment contract between itself (as employer) and Mr Garbrand van der Molen, who was to be employed as a 'Brand Manager'. Also attached was a series of e-mail exchanges involving, amongst others, the appellant, Mr van der Molen and the respondent. The e-mails concerned the development of a design that apparently became the contested RCD.
- 4 On 10 August 2006 an Invalidity Division of the Office invited the respondent to comment on the application for a declaration of invalidity by 13 October 2006. On 19 October 2006 the Invalidity Division informed the respondent that it had

received no comments from him and would give a decision on the basis of the evidence before it.

- 5 On 6 November 2006 the Invalidity Division issued a decision ('the contested decision') rejecting the application for a declaration of invalidity and ordering the appellant to bear the costs.
- 6 On 2 January 2007 the appellant filed a notice of appeal against the contested decision. The appellant submitted a statement of grounds on 6 March 2007.
- 7 On 9 May 2007 the respondent submitted a response.
- 8 The appellant and the respondent submitted a reply and a rejoinder on 23 July 2007 and 27 September 2007 respectively.

Submissions and arguments of the parties

- 9 The appellant requests the Board to annul the contested decision and declare the contested RCD invalid. Its arguments may be summarized as follows:
 - The respondent is a renowned Danish Audio Engineer not an industrial designer. He does not look after the outer design of products but the technical part.
 - A printout from the respondent's website states that a loudspeaker identical to the contested RCD was designed by Garbrand van der Molen.
 - The task entrusted to the respondent by the appellant was limited to the technical part of loudspeaker construction. He never took part in the external appearance of the design of the 'loudspeakers', which is the only element protected by the contested RCD.
 - Several e-mails between the respondent, Mr van der Molen and the appellant prove the respondent's strictly technical function regarding the product in question.
 - It is also evident that there existed a labour relation between the respondent and the appellant, which entrusted the development of technical products to the respondent, for which he was paid a salary.
 - When the appellant decided to launch a new design of 'loudspeakers' with specific technical particularities, and with a new and attractive external design, the technical part of the task was entrusted to the respondent and the external design to Mr van der Molen.
 - Once credited the non-participation by the respondent in the external design of the contested RCD, together with the labour relationship between the creator and the appellant, there is no doubt regarding the nullity of the contested RCD under Articles 14 and 25(1)(c) and (f) CDR.

- The contested RCD is also invalid by virtue of Article 25(1)(f) CDR since it constitutes an unauthorized use of a work protected under the copyright law of a Member State. Articles 2 and 5 of the Berne Convention for the Protection of Literary and Artistic Works are applicable.
- 10 The respondent requests the Board to dismiss the appeal and maintain the contested decision. His arguments may be summarized as follows:
- The appeal is unfounded, because the necessary documentation in the form of a court decision was not submitted.
 - No evidence substantiating the appellant’s claim of copyright protection in pursuance of Article 25(1)(f) CDR has been submitted. As in the case of Article 25(1)(c), the necessary evidence of copyright protection is a court decision.
 - The fact that the respondent is described as an ‘audio engineer’ in one of the documents does not prove that he is not the designer of the loudspeakers. The respondent has designed a number of products – before and after the creation of the loudspeakers – both complete designs and technical constructions.
 - The respondent is registered as an industrial designer and he is a member of the network at Danish Design Center, an independent institution under the Danish Ministry of Economic and Business Affairs.
 - In autumn 2004 the respondent was asked by the appellant to work on a project to design a loudspeaker for the mass market. The respondent could already at this stage present sketches of a design for such a loudspeaker, as he had been working on an idea – inspired by a cartoon figure called BARBAPAPA – since 2003.
 - It is not true that the respondent’s role ‘was limited to the technical part’, and that therefore the sketches were made single-handed by Mr van der Molen. The sketches were made in Copenhagen during a meeting between the respondent and Mr van der Molen in January 2005 based on the respondent’s above-mentioned BARBAPAPA inspired design idea.
 - A statement given by Mr van der Molen read as follows:

‘In January 2005 my first meeting with [the respondent] took place in Copenhagen. At that meeting we established the design parameters for the Zeta Speakers. After this meeting [the respondent] provided [the appellant] with a complete reference design, technical and electrical specifications – as well as a working prototype. The further development and adjustments of the Zeta Speakers were made in very close cooperation between [the respondent] and myself. Our cooperation and dialog was established and performed by phone, Skype, messenger and e-mails.’
 - The respondent did not write the e-mails which, accordingly to the appellant, were sent from an address belonging to him.

Reasons

- 11 The appeal complies with Articles 55 to 57 CDR and Article 34(1)(c) and (2) of Commission Regulation (EC) No 2245/2002 of 21 October 2002 implementing Council Regulation (EC) No 6/2002 on Community designs ('CDIR') (OJ EC 2002 No L 341, p. 28). It is therefore admissible.
- 12 The appellant's essential argument is that the respondent is not the rightful owner of the contested RCD because the design is the work, not of the respondent, but of a person (Mr van der Molen) employed by the appellant. The right to the design, according to this argument, vests in the appellant under the terms of Mr van der Molen's contract of employment.
- 13 If the facts alleged by the appellant (and disputed by the respondent) are correct, the right to the design does indeed appear to vest in the appellant by virtue of Article 14 CDR, which states:
 - '1. The right to the Community design shall vest in the designer or his successor in title.
 2. If two or more persons have jointly developed a design, the right to the Community design shall vest in them jointly.
 3. However, where a design is developed by an employee in the execution of his duties or following the instructions given by his employer, the right to the Community design shall vest in the employer, unless otherwise agreed or specified under national law.'
- 14 If the appellant's version of the facts is correct, it does not, however, follow that the contested RCD must automatically be invalidated by the Office under Article 25(1)(c) CDR, which states:
 - '1. A Community design may be declared invalid only in the following cases:

[...]

 (c) if, by virtue of a court decision, the right holder is not entitled to the Community design under Article 14.'
- 15 It is clear from the words 'by virtue of a court decision' in Article 25(1)(c) CDR that OHIM has no jurisdiction to determine who is entitled to an RCD under Article 14 CDR. Such jurisdiction belongs to whichever national court is competent under Article 79(1) and (4) CDR in conjunction with Article 93 CDR or under Article 81(d) CDR. The appellant has not produced any court decision showing that the respondent is not the rightful owner of the contested RCD. In the absence of such a decision the Office cannot declare the contested RCD invalid under Article 25(1)(c) CDR.

16 Also relevant to the present proceedings is Article 15 CDR, which states:

‘1. If an unregistered Community design is disclosed or claimed by, or a registered Community design has been applied for or registered in the name of, a person who is not entitled to it under Article 14, the person entitled to it under that provision may, without prejudice to any other remedy which may be open to him, claim to become recognised as the legitimate holder of the Community design.

2. Where a person is jointly entitled to a Community design, that person may, in accordance with paragraph 1, claim to become recognised as joint holder.

3. Legal proceedings under paragraphs 1 or 2 shall be barred three years after the date of publication of a registered Community design or the date of disclosure of an unregistered Community design. This provision shall not apply if the person who is not entitled to the Community design was acting in bad faith at the time when such design was applied for or disclosed or was assigned to him.

4. In the case of a registered Community design, the following shall be entered in the register:

(a) the mention that legal proceedings under paragraph 1 have been instituted;

(b) the final decision or any other termination of the proceedings;

(c) any change in the ownership of the registered Community design resulting from the final decision.’

17 Article 15 does not indicate which forum is competent to rule on a ‘claim’ brought under paragraph (1) of that provision. Such a claim falls within the category ‘actions relating to Community designs other than those referred to in Article 81’ and therefore lies within the jurisdiction of a national court under Article 93(1) CDR. That is confirmed by the wording of Article 27(3) CDIR, which refers to such a claim being ‘brought before a court’. Although much has been written about the quasi-judicial nature of the Office’s Boards of Appeal (see Case R 22/2003-2 JUNIOR KIT and the literature cited in paragraph 18 of that decision), the Office is clearly not a ‘court’.

18 It is clear from the above that the Office has no jurisdiction to determine which of the parties is the rightful owner of the contested RCD. Such jurisdiction lies with a national court, whose final decision the Office must record in the Register of Community Designs in accordance with Article 15(4)(c) and 69(3)(g) CDR.

19 It remains for the Board to deal with the appellant’s claim based on copyright. This claim must be rejected. It is true that under Article 25(1)(f) CDR an RCD may be declared invalid if it ‘constitutes an unauthorized use of a work protected under the copyright law of a Member State’. Unlike Article 25(1)(c), this provision does not require a prior determination by a national court as to who is entitled to the work in question; the Office is therefore competent to make such a determination. This power must, however, be exercised cautiously, lest it be used to undermine the basic principle (established above) that the true ownership of a design is a matter for the

national courts. The Office should only declare an RCD invalid under Article 25(1)(f) in the clearest of cases. In particular, it would not be appropriate to use Article 25(1)(f) when the invalidity applicant's essential argument is that the design was created, not by the registered holder, but by the invalidity applicant or by an employee of the invalidity applicant.

- 20 The appellant has, moreover, failed to show that the design in question satisfies the conditions for copyright protection under the law of any Member State. The appellant has merely cited Articles 2(7) and 5(1) and (2) of the Berne Convention. Article 2(7) provides that it is for the legislation of the Contracting States 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 or models shall be protected'. Article 5(1) provides that authors are to enjoy certain rights 'in respect of works for which they are protected under this Convention'; it also lays down the principle of 'national treatment'. Article 5(2) lays down the principle that copyright protection may not be subject to any formality and is independent of the existence of protection in the country of origin. Self-evidently, the mere citing of these provisions – without referring to any national provision concerning the extension of copyright protection to 'works of applied art and industrial designs and models' – is insufficient to justify invalidating a design under Article 25(1)(f) CDR.
- 21 The Board concludes that the appeal must be dismissed.

Costs

- 22 Since the appeal has been unsuccessful, the appellant must be ordered to bear the costs incurred by the respondent, in accordance with Article 70(1) CDR.

Order

On those grounds,

THE BOARD

hereby:

- 1 Dismisses the appeal;**
- 2 Orders the appellant to bear the costs incurred by the respondent.**

Th. Margellos

D.T. Keeling

C. Rusconi

Registrar:

J. Pinkowski