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Copyright protection of fashion designs in Spain after *Cofemel*

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Introduction

Fashion designs tend to be short lived, sometimes available only for a single season before being replaced by other designs. This is reflected in EU legislation. Unregistered community designs were specifically conceived to protect these kinds of design, regardless of the possibility of opting for the more solid protection conferred by registered designs.**(1)**

However, it is widely known that some fashion designs are timeless and continue to be commercially successful many years after their initial launch. Likewise, designs that were trendy long ago can become fashionable again and be relaunched. The protection conferred by industrial designs may not always be available in these cases.

The law against unfair competition sometimes works as a remedy for fashion companies and designers in order to counter imitations, although its effectiveness is somewhat limited. Without an exclusive right over a product (ie, an industrial or IP right), whether an imitation is contrary to the law will depend on circumstances such as the existence of risk of association, free-riding or a predatory strategy directly aimed at preventing or hindering the presence of a competitor in the market.**(2)**

In this context, copyright can be an appealing tool for creators to combat imitations due to its long duration and broad scope of protection, as well as the lack of formalities to acquire copyright and maintain it, since no registration nor renewals are needed.

Nevertheless, copyright protection for the designs of mass-produced items (eg, fashion designs) has not been clear cut. The well-known European Court of Justice (ECJ) judgment of 12 September 2019 in *Cofemel* (C-683/17) has specifically tackled this matter.

This article analyses the consequences of this decision from a Spanish law perspective.

Legal situation before *Cofemel*

The Copyright Act (1996) sets out that:

- copyright protection is independent, compatible and cumulative with the industrial property rights that may exist over a work (eg, registered or unregistered industrial designs); and
- works of three dimensional art, whether applied or not, may be copyright protected if they are original.**(3)**

Fashion designs could be included among applied works of three dimensional art eligible for copyright protection, subject to the condition that they are original works. The fact that fashion designs may be mass-produced items has not been considered a barrier excluding copyright protection *a priori*.**(4)**

Regarding the requirement of originality, the Spanish courts have applied two different criteria over the years:

- subjective originality, according to which a work is original if it has not been copied from a previous work and reflects the personality of its author; and
- objective originality, according to which a work is original if it is novel in respect of any previous work.

In recent years, the Spanish courts have preferred objective originality as a general rule.**(5)**

Nevertheless, to date the accumulation of protection under Spanish copyright and design law has not been absolute: more than mere originality has been required for a design to be regarded as a copyrighted work. Based on the Industrial Designs Act (2003),**(6)** the Supreme Court has established a system of partial accumulation of protection, according to which a design must not only be original, but also have creative height (ie, be especially creative) to enjoy copyright protection.**(7)**

Whereas some Spanish courts have deemed that enhanced creative height is required for applied works to be copyright protected (to the point that the design in question can be regarded as an artistic work),**(8)** others have deemed that creative height would not consist in demanding a certain artistic quality of the work, but in having a level of originality that makes the work distinguishable from others.**(9)**

Main teachings and caveats of *Cofemel*

Against this background, the ECJ issued its judgment in *Cofemel*, in response to the preliminary questions referred by the Portuguese Supreme Court in a copyright infringement dispute between two companies specialised in the design, production and marketing of clothing. In brief, the referring court asked the ECJ whether copyright protection could be extended to clothing designs if they were original (ie, such as that extended to literary and artistic work) or whether it was possible to subject the granting of copyright protection in respect of clothing designs to the existence of a specific degree of aesthetic value.

Based on settled case law, the ECJ reiterated that copyrightable 'works' must meet two cumulative conditions:

- they must be original, in the sense of being the author's own intellectual creation (AOIC). In other words, an expression of the author's free and creative choices not dictated by technical considerations, rules or other constraints which leave no room for creative freedom; and

- they must be identifiable with sufficient precision and objectivity.(10)

The ECJ added that where a subject matter meets these two cumulative conditions, the extent of copyright protection does not depend on the degree of creative freedom exercised by its author and will not be inferior to that granted to any other work.(11)

Finally, the ECJ clarified that clothing designs are copyrightable if they meet the two cumulative conditions mentioned above,(12) and whether the design generates a specific and aesthetically significant visual effect is irrelevant for classifying a design as a 'work'.(13)

Nevertheless, caveats were made in respect of the accumulation of protection under copyright and design law – namely, that copyright protection should be reserved to subject matter that merits being classified as 'work' and should not undermine the respective purposes and effectiveness of copyright and design law.(14) Further, the ECJ pointed out that, although design and copyright protection may be granted cumulatively to the same subject matter under EU law, concurrent protection could be envisaged only in certain situations.(15) In this regard, Advocate General Maciej Szpunar clarified in his conclusions preceding the *Cofemel* judgment that, despite the absence of a requirement demanding a specific level of artistic value for a mass-produced item to be protected by copyright, copyright law already provides itself the necessary means to avoid copyright protection being automatically extended to every design. In particular, by strictly applying the AOIC originality criteria, copyright protection would not be extended to subject matter that obeys a technical function preventing the author from expressing creative spirit, nor would an intellectual activity or the skills of the author justify copyright protection when they do not express any originality.(16)

***Cofemel's* impact on Spanish law and case law**

Considering that the Copyright Act does not subject the accumulation of protection under copyright and design law to any other requirement but the originality of the work (whether applied or not), amendments to this act because of *Cofemel* are not expected. On the contrary, potential amendments to the Industrial Designs Act seem more likely, in order to clarify the wording of this act(17) that has led the Spanish courts to interpret that the designs of mass-produced items (eg, fashion designs) can be copyright protected only if they are original and have creative height in the sense of a certain degree of artistic value.

Regardless of the above, it seems clear that in view of *Cofemel*, the Spanish courts will have to readjust their criteria in copyright matters – namely:

- the criteria of objective originality, in order to become aligned with the AOIC criteria of the ECJ (closer to the subjective criteria of originality);(18) and
- the requirement of creative height, so that in future, for a design to be worthy of copyright protection, it need not have artistic merit, aesthetic value or a particular visual attraction.

As a result, in some cases, the copyright protection tool will in principle be easier to use by fashion designers and companies owning exploitation rights than it was in the past.

Tips to invoke copyright protection for fashion designs

According to the Copyright Act, only a natural person can be considered an author of a work (and thus the lawful owner of a copyright). A legal person must prove how it has acquired copyright from the author.(19)

Therefore, despite the step forward that *Cofemel* may imply, fashion designers and companies

interested in bringing actions for copyright infringement should prepare beforehand by keeping records of their design's creation process, authorship and ownership, including the chain of title. The foregoing is of the utmost relevance for succeeding in proving the legal standing to bring actions as well as originality from a subjective perspective (ie, the author's own efforts and reflection of their personality).**(20)**

These records may include:

- sketches or analogous documents (with their corresponding dates and names, signatures or stamps);
- correspondence exchanged regarding the creation process;
- agreements with the individuals involved (either employees or self-employed designers); and
- any related invoices and proof of payment.

Ideally, fashion companies should establish and implement in-house protocols for these purposes.

Regarding the chain of title, fashion companies have three main different ways to acquire exploitation rights under Spanish law.

In respect of works created as a result of an employment relationship, the employment agreement, which must be in writing, will govern the assignment of the exploitation rights. If the agreement does not regulate this assignment, it will be presumed that:

- the assignment took place at the moment of the work's delivery;
- the exploitation rights have been assigned exclusively to the employer; and
- the exploitation rights have been assigned with the necessary scope for the employer's usual activity to be conducted.**(21)**

In relation to works resulting from a self-employed designer whose services have been hired (the so-called '*obra por encargo*'), the acquisition of exploitation rights is not regulated by the Copyright Act. According to case law, the agreement between the parties must prevail and, in the absence of a written agreement regulating the assignment, the regulation of the works resulting from an employment relationship will be applied by analogy, provided that:

- the work was created on the company's request (ie, the assignee) and not spontaneously by the self-employed designer (ie, the assignor); and
- the fashion company has made the corresponding payment of the price of the work.**(22)**

Assignment from a third party (eg, transfer of exploitation rights over a copyrighted work from one company to another). A written assignment agreement will be required**(23)** and the assignment will be exclusive only if it has been agreed so explicitly.**(24)** The assignment agreement should explicitly regulate content such as the duration, geographical scope and specific kind of exploitation rights assigned, since, in the absence of specification, it will be presumed that:

- the duration of the assignment is limited to five years;
- the assignment is valid only in the country where the assignment was made; and
- the exploitation rights assigned are only those that can be inferred from the agreement.**(25)**

Comment

In light of the ECJ's decision in *Cofemel*, copyright protection for fashion designs is now more feasible in Spain. However, it remains to be seen how the Spanish courts (in particular, the Supreme Court) will apply the main teachings and caveats of the ECJ's judgment in practice in the field of fashion.

In any case, fashion designers and fashion companies keen to enforce copyright protection in respect of their designs should be prepared. Evidence of the creation process and the chain of title is crucial for successfully bringing actions for copyright infringement. In this regard, establishing in-house protocols and carefully drafting the agreements with employees, self-employed designers and companies whose IP rights are going to be acquired are highly recommended.

For further information on this topic please contact Esther Gómez García at Grau & Angulo by telephone (+34 93 202 34 56) or email (e.garcia@ga-ip.com). The Grau & Angulo website can be accessed at www.ga-ip.com.

Endnotes

- (1) See Recital 25 of the EU Community Designs Regulation (6/2002/EC) of 12 December 2001. Law 20/2003 of 7 July on the Protection of Industrial Designs.
- (2) Article 11 of Law 3/1991 of 10 January on Unfair Competition.
- (3) Articles 3 and 10.1(e) of Royal Legislative Decree 1/1996 of 12 April, enacting the consolidated text of the Intellectual Property Act, which match the corresponding articles in the former Law 22/1987 of 11 November 1987 on Intellectual Property.
- (4) Supreme Court (Civil Chamber) Judgment of 26 October 1992 (RJ/1992/8286), in which it was clarified for the first time that mass-produced items may be susceptible of copyright protection, as long as they are original. In particular, the Supreme Court acknowledged said possibility in a case concerning goods closely related to fashion designs, namely jewels. A few years later, the Court of Appeal of Valencia ruled in its Judgement 21/99 of 11 January 1999 (ROJ: SAP V 20/1999) that the quilted purse of a very prestigious fashion brand could be considered a copyrighted work, which was later confirmed by the Supreme Court in its Judgment of 7 October 2005 (ROJ: STS 5955/2005).
- (5) Supreme Court (Civil Chamber, Section 1), Judgment 253/2017 of 26 April 2017 (RJ/253/2017).
- (6) Section II of the Explanatory Memorandum of Law 20/2003 of 7 July on the Protection of Industrial Designs and the Tenth Additional Provision of this same Law, refer, in respect of original designs susceptible of copyright protection, to those designs that are especially creative or that have the necessary degree of creativity. In this regard, Article 17 of the EU Designs Directive (98/71/EC) of 13 October 1998 sets out that a design protected by a design right will also be eligible for copyright protection, subject to the conditions – including the level of originality required – determined by each EU member state (in a similar vein, *vid* Article 96.2 of the EU Community Designs Regulation (6/2002/EC)).
- (7) Judgment 561/2012 of the Supreme Court (Civil Chamber) dated 27 September 2012 (RJO: STS 6196/2012) concerning a case in which copyright protection was claimed for a post lamp in the shape of the letter 'Y' located in different parts of Barcelona's Eixample neighbourhood.
- (8) Judgment 764/2019 of the Barcelona Court of Appeal (Section 15) of 26 April 2019

(AC/2019/471) concerning furniture – namely, different chairs. In this case, the court found that both requirements (ie, originality and creative height) were met, placing special emphasis on the fact that the chairs' designers were renowned. In the fashion context, reference to said enhanced creative height, as a requirement of an increased artistic level, has been made in Judgment 136/2009 of the Commercial Court of Alicante dated 8 April 2009 (ROJ: SJM A 136/2009), regarding a two-dimensional design of a flower-patterned ornament used on fabric for clothing. The flower-patterned ornament was found to be devoid of the necessary creativity to enjoy copyright protection, as flower-patterned ornaments like the one in question were common in the field.

(9) Judgment 401/2017 of the Court of Appeal of Madrid of 15 September 2017 (AC/2018/22), concerning a folding handbag of a reputed fashion brand. The court deemed the handbag to be original and have sufficient creative height and thus granted it copyright protection.

(10) Paragraphs 29 to 32 of the *Cofemel* judgment.

(11) *Ibid.* Paragraph 35.

(12) *Ibid.* Paragraph 48.

(13) *Ibid.* Paragraphs 53 to 56.

(14) *Ibid.* Paragraphs 50 and 51, which are in line with the competition restrictions and lack of legal certainty concerns raised by Advocate General Maciej Szpunar in paragraphs 50 to 53 of his conclusions of 2 May 2019.

(15) Paragraph 52 of the *Cofemel* judgment.

(16) Paragraphs 26, 54 and 56 of his conclusions of 2 May 2019. On 6 February 2020 Advocate General M Campos Sánchez-Bordona made similar conclusions in a case concerning copyright protection for a folding bike (C-833/18). According to the advocate general, designs whose shape is dictated by technical considerations which do not leave room to exercise creative freedom are ineligible for copyright protection. On the contrary, where a design merely has a number of functional aspects, said circumstance will not exclude copyright protection, unless the functional elements predominate over the artistic elements to the extent that the latter becomes irrelevant (Paragraphs 65, 67 and 68).

(17) *Vid supra.* Footnote 6.

(18) The Barcelona Court of Appeal (Section 15) has already had the opportunity to refer to the *Cofemel* decision and the AOIC criteria of originality in a recent judgment (402/2020) of 25 February 2020 (ROJ: SAP B 1094/2020), albeit in a field unrelated to fashion (ie, teleshopping ads).

(19) Article 5 of the Royal Legislative Decree 1/1996, dated 12 April, enacting the consolidated text of the Intellectual Property Act. Nevertheless, there are some cases in which a legal person might be the *ab initio* owner, pursuant to article 8 (concerning collective works, i.e. works created as a result of the contributions of different authors upon the request from and under the coordination of a natural or legal person, under whose name the work is made public) and article 97 (regarding the authorship of computer programs) of the aforementioned regulation.

(20) The relevance of keeping these records is evidenced by Judgment 11/2011 of the Valencia Court of Appeal (Section 9) of 10 January 2011 (ROJ: SAP V 259/2011), which concerned a copyright infringement case regarding footwear (ie, a clog). Copyright protection was not granted because of lack of originality. The court found that the authorship of the design had

not been proven, thus it was not possible to consider the design original from a subjective perspective. Likewise, the court considered that it had not been proven how the plaintiff, a legal person, had acquired the exploitation rights from the author, which also led to problems of lack of legal standing to bring copyright infringement actions.

(21) Article 51 of Royal Legislative Decree 1/1996 of 12 April 1996, enacting the consolidated text of the Intellectual Property Act.

(22) Judgment 1024/2008 of the Supreme Court (Civil Chamber, Section 1) of 18 December 2008 (RJ/2009/534).

(23) Article 45 of Royal Legislative Decree 1/1996 of 12 April 1996, enacting the consolidated text of the Intellectual Property Act.

(24) *Ibid.* Article 48.

(25) *Ibid.* Article 43.

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