PORTOLANO CAVALLO
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Copyright Protection of Design: Approach of Italian Courts and Italian Law after ECJ's Decision in *Flos vs Semeraro*

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By Antonella Barbieri and Federica De Santis

Introduction

The manufacture and marketing of products which slavishly imitate the stylistic and aesthetic features of pieces of Italian design has been the subject of recent Italian Courts' decisions aimed at the protection and valorization of the Italian industrial design through the enforcement of copyright protection.

Directive 98/71/EC on the legal protection of designs was implemented in Italy in 2001 through Legislative Decree no. 95/2001. Moreover, Italian law introduced a 10-year transitory regime during which copyright protection granted to industrial designs could not be invoked against third parties that had started to manufacture or sell, before the date in which the law entered into force (April 19, 2001), industrial designs and works that belonged to the public domain either because their design rights had expired or because they were not eligible for copyright protection.

That provision was subsequently restated in Article 239 of the Italian Industrial Property Code, which was adopted in 2005 (Legislative Decree no. 30/2005: the 'IPC') and since then, as better described below, the interpretation of Article 239 of the IPC has been highly controversial regarding whether or not industrial designs which were created before 2001 benefit from full copyright protection.

The ECJ's ruling of January 27, 2011 in the *Flos* vs *Semeraro* case (C-168/09) interpreted Article 17 of the Directive 98/71/EC on the legal protection of designs in the sense that a national law cannot refuse copyright protection to designs that, even if entered into the public domain, are eligible to this protection.

Further to the ruling, Article 239 of the IPC has been amended in order to expressly recognize copyright protection to industrial designs which bear 'inherent artistic value'.

The recent Italian courts' decisions on the matter have been greatly welcomed by the Italian design industry, as they provide greater protection to what is considered a vital industry for the national economy, marking a new perspective in the Italian industrial design case-law.

Legislative Framework

Article 17 of Directive 98/71/EC, entitled 'Relationship to copyright,' provides that:

> *'A design protected by a design right registered in or in respect of a Member State in accordance with this Directive shall also be eligible for protection under the law of copyright of that State as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State.'*

While requiring Member States to comply with the principle of 'cumulation' of protection of registered designs with copyright protection, the second part of Article 17 has also left Member States free to determine the extent to which, and the conditions under which, copyright protection is conferred, including the level of originality required.

Before 2001, Italian law afforded copyright protection only to those industrial design works whose artistic value could be appreciated separately from the industrial nature of the product to which it pertained.

Directive 98/71/EC was then implemented in Italy with Legislative Decree no. 95/2001, which amended the Italian Copyright Law (Law no. 633/1941) by removing the requirement for 'separability,' granting copyright protection to works of industrial design having inherent creative and artistic value (i) and providing that design registration is combinable with copyright protection.

Therefore, thanks to the 'cumulation' regime set forth by Directive 98/71/EC, as implemented in Italy, designs works can be protected in Italy as:

- registered designs and models under the IPC, from 5 to 25 years.
- copyrighted works, as far as they have 'inherent creative and artistic value,' for a period of 70-years after the author's death; or as

Moreover, as anticipated, a 10-year transitory regime has been established by Legislative Decree no. 95/2001 with the scope to protect the expectations and investments of third parties which, before the entry into force of this law, had already started in good faith to manufacture and market copies of industrial design items relying on the fact that they were not (or are not anymore) registered as designs.

Then, in 2005, the IPC was adopted, including the same provision to Article 239, and the European Commission brought an infraction procedure against the 10-year grace period set forth by Italian law that was considered in contrast with Directive 98/71/EC. (ii)

In 2007, the Italian Government amended Article 239 of the IPC, excluding copyright protection for any design which fell into public domain before 2001. The 10-year grace period disappeared and copyright protection for designs that had fallen into the public domain before 2001 was then excluded tout court.

In the meantime, the Italian Courts issued significant decisions which granted copyright protection to design works against their slavish reproduction by third parties.

One of these cases (*Flos vs Semeraro*) originated a decision by the ECJ which helped to clarify the complex Italian legal framework.

The Flos vs Semeraro Case

On November 23, 2006, the company Flos, a manufacturer of designer lighting, brought proceedings against the furniture producer and retailer Semeraro before the Court of Milan. They argued that Semeraro had infringed its copyright on the "Arco" lamp, a master piece of post-war Italian design created by the Castiglioni brothers in the 1960s, by importing from China and marketing in Italy a lamp called "Fluida" with aesthetically similar features of the Flos "Arco" lamp. The "Arco" lamp was not a registered design.

The Flos "Arco" lamp by the Castiglioni brothers

Semeraro denied any infringement by arguing that, among others, the "Arco" lamp was not eligible to copyright protection in that it lacked "inherent artistic value" under the Copyright Law.

In interim proceedings, the Court of Milan ruled that Semeraro infringed Flos's design rights, ordered the seizure of the imported lamps and prevented Semeraro from continuing to market them. According to the Court of Milan, the "Arco" lamp was eligible for copyright protection as an industrial design under the Italian Copyright Law.(iii)

On April 30, 2009, the Court of Milan referred to the ECJ for a preliminary ruling in connection with the compatibility of the Italian provisions on protection of industrial designs with Directive 98/71/EC.

On January 27, 2011, the ECJ held that national laws (in the specific case, the IPC) cannot refuse copyright protection to designs that, even if entered into the public domain, are eligible for this protection.(iv)

The ECJ clarified that Article 17 of the Directive 98/71/EC concerned only registered designs (i.e., designs which had been registered and then had fallen into the public domain), in that it provides for the principle of 'cumulation' of protection of registered designs with copyright protection.

Therefore, according to the ECJ, designs which, before the date of entry into force of the national law transposing Directive 98/71/EC into the legal system of a Member State, were in the public domain because they have not been registered do not fall within the scope of Article 17 of Directive 98/71/EC.

However, the ECJ incidentally observed that copyright protection for unregistered design works may arise under the Information Society Directive 2001/29/EC if the conditions for that Directive's application (which focusing on the concept of "creativity," to be defined by the national implementing laws) are met.(v)

Very recently, on September 12, 2012, the Court of Milan endorsed the interpretation of the ECJ in Case C-168/09 and ruled that Semeraro's sale of the "Fluida" lamp, which copied the Flos "Arco" lamp, amounted to an act of copyright infringement.(vi)

With its recent decision, the Court of Milan:

- prevented Semeraro from further importing and selling the "Fluida" lamp;
- ordered the destruction of any remaining items still in the market;
- ordered damages of €60,000, setting a fine of €1,000 for each infringing products imported and/or marketed after the decision; and
- ordered publication of the decision, at Semeraro's expenses, in a major Italian newspaper.

The Court of Milan stressed that, based on the ECJ's decision, industrial design works could be protected as copyrighted works regardless of whether they have been previously registered as industrial designs. Indeed, even if, as clarified, Article 17 of Directive 98/71/EC (whose interpretation was at the core of the ECJ's decision) only concerns registered designs, unregistered designs could still be protected under the Copyright Law as far as they are creative (which is a general requirement of all copyrighted works) and have 'inherent artistic value.'

In this respect, the Court of Milan fixed important principles to ascertain whether an industrial design work bears "artistic value" and is therefore eligible to copyright protection. In particular, according to the Court, any assessment in this respect must be carried out in an objective way by looking at the widespread appreciation of the design work in the cultural and institutional sector (e.g. critics, cultural institutions, museums, etc.), irrespective of the fact that it is of daily use.

The Court held that Flos provided sufficient proof of the consensus reached among cultural and institutional fields on the "Arco" lamp's ability to represent the trends of the post-war Italian industrial design. Further, the Court gave relevance to the fact that the "Arco" lamp has been included in the collection of the New York Museum of Arts and Design for over ten years.

According to the Court of Milan, granting copyright protection only to registered designs would be at odds with the Berne Convention for the protection of literary and artistic works, which provides that the enjoyment and the exercise of the rights of the authors shall not be subject to any formality.(vii)

Similar arguments have been used by the Court of Milan when, a few months after the ECJ's decision in *Flos vs Semeraro*, it granted copyright protection to a unregistered design item, Le Corbusier furniture, produced by the Italian company Cassina, against High Tech S.r.l., another Italian company selling pieces of furniture identical to the ones designed by Le Corbusier.

In that occasion, the Court of Milan clarified that design works are eligible for copyright protection even if they have never been registered under design law as long as the conditions for copyright protection are met, i.e., if said works have inherent creative and artistic value.(viii)

Cassina's "LC/4" by Le Corbusier

In another very recent decision, the Court of Milan granted copyright protection to the well-known design work "Panton Chair" by Verner Panton, produced by Vitra Patente A.G., against the slavish imitation of the same by High Tech S.r.l. According to the Court, the exposure of this work in famous exhibitions and museums was considered evidence of its artistic value, making this item eligible to copyright protection.(ix) The Court's reasoning is very similar to the same Court's reasoning in *Flos vs Semeraro*, as outlined above.

Vitra Patente AG's "Panton Chair" by Verner Panton

Further Amendments to IPC

After the ECJ's decision in the *Flos vs Semeraro* case, Article 239 of the IPC was further revised in 2010 to provide full copyright protection for designs that met the substantial requirements of such protection.(x)

Article 239 of the IPC was again amended in 2011 to expressly provide that the protection granted to designs works under the Copyright Law applied also to those industrial works that, prior to April 19, 2001 (the date in which the law implementing Directive 98/71/EC entered into force), were in, or had become part of, the public domain. However, a transitory period of five years following April 19, 2001 was provided, during which the protection granted under the Copyright Law could not be enforced against those persons who had manufactured or marketed, in the twelve months prior to April 19, 2001, products similar to design works which belonged to the public domain at that time and who continued this business after April 19, 2001, within the limits of the products manufactured or purchased prior to April 19, 2001 and the products manufactured in the following five years, upon condition that such activity was kept within the quantitative limits of use before that date.

In 2012, Article 239 was finally revised by Law no. 14/2012, which extended the transitory period from five to thirteen years(xi), and such extension of the transitory appearing to be in conflict with the ECJ's decision in the *Flos vs Semeraro* case.

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[i] Article 2, no. 10, of the Italian Copyright Law.
[ii] Infraction procedure n. 4088/2005.
[iii] Court of Milan, injunction of December 29, 2006.
[iv] Case C-168/09, *Flos S.p.A. v Semeraro Casa e Famiglia .S.p.A.*
[v] Recital 34 of the ECJ's decision in Case C-168/09.
[vi] Court of Milan, decision published on September 12, 2012.
[vii] Article 5, paragraph 2, of the Berne Convention.
[viii] Court of Milan, injunctions of April 26, 2011 and of July 7, 2011.
[ix] Court of Milan, decision published on September 13, 2012.
[x] Article 123 of Legislative Decree no. 131/2010.
[xi] Law no. 14 of February 24, 2012, which converted into law Decree no. 216 of December 29, 2011.