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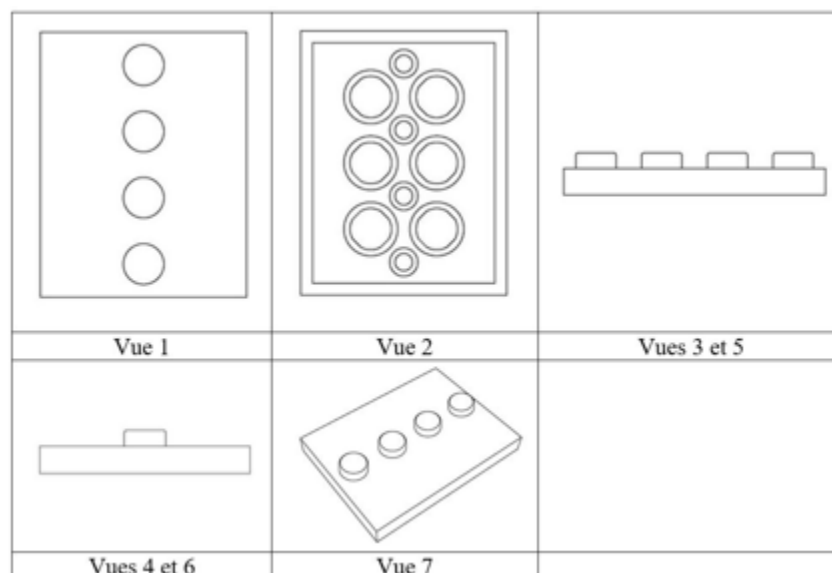
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GCEU, T-515/19: LEGO, the validity of a design of toy building blocks

On 24 March 2021, the General Court of the European Union (“GCEU”) issued an interesting decision about the interpretation of Art. 8 of Council Regulation (EC) no. 6/2002¹ on Community Designs (the “CDR”).

Background

Lego A/S (the “Applicant”) is the owner of Registered Community Design (the “RCD”) No. 1664368-0006 of 2.2.2010, “*Building blocks from a toy building set*”, registered for “games and toys” – depicted below (EUIPO)



On 8 December 2016, Delta Sport Handelskontor GmbH (the “Intervener”) filed an application for a declaration of invalidity of the RCD on the grounds that all the features of appearance of the design were solely dictated by the technical function of the product and, as such, were excluded from protection, pursuant to Art. 8(1) of the CDR.

The EUIPO’s Cancellation Division rejected the invalidity application as unfounded, noting that (i) the Intervener had failed to prove that fulfilling the technical function of the building blocks to be interconnected with other building blocks for the purpose of playing was the sole factor to have determined the features of appearance of the product; (ii) indeed, the features of appearance, such as the shape or form of the product, had shown the creativity of the designer because the same function (i.e. interconnection with other building blocks) could have been fulfilled by other means; (iii) the product constituted a “modular system” and therefore it fulfilled the requirements for protection under Art. 8(3) of the CDR.

¹ “1. A Community design shall not subsist in features of appearance of a product which are solely dictated by its technical function. 2. A Community design shall not subsist in features of appearance of a product which must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may perform its function. 3. Notwithstanding paragraph 2, a Community design shall under the conditions set out in Articles 5 and 6 subsist in a design serving the purpose of allowing the multiple assembly or connection of mutually interchangeable products within a modular system (...).”

Then, the Intervener filed an appeal against the decision of the Cancellation Division, upheld by the Third Board of Appeal of EUIPO, which annulled the decision at issue.

The Board of Appeal took the view that (i) the technical function that the product must fulfil is the capability of being assembled, with sufficient stability, with other bricks of the set in order to create a toy building; (ii) the features of appearance of the product are the row of studs on the upper face of the brick, the row of smaller circles on the lower face, the two rows of bigger circles on the lower face, the rectangular shape of the brick, the thickness of its walls and the cylindrical shape of the studs; (iii) all the features were solely dictated by the technical function of the product, namely assembly and disassembly.

In this context, the Applicant resorted to the GCEU, seeking the annulment of the Board of Appeal's decision. In support of its claim, the Applicant alleged, *inter alia*, infringement of Art. 8(3) (the "First Plea") and Art. 8(1) of the CD Regulation (the "Second Plea").

Findings of the GCEU

With regard to the First Plea, the General Court deemed it necessary to examine whether (i) the benefit of Art. 8(3) CDR could be relied on for the first time before the Board of Appeal; (ii) the features of appearance of the product may fall within the exception laid down in Art. 8(3) CDR; (iii) the Board of Appeal should have assessed the conditions for the application of Art. 8(3) CDR.

Art. 8 (3) pertains to the "modular exception"; as explained in Recital 11 of the CDR, *"The mechanical fittings of modular products may nevertheless constitute an important element of the innovative characteristics of modular products and present a major marketing asset, and therefore should be eligible for protection."*

As for question (i) above, the GCEU held that It follows art. 60(1) CDR that the Board may carry out a new, full examination of the merits of the application for invalidity, in terms of both law and fact.

As for question (ii), the GCEU noted that the features of appearance of the product may fall within both Art. 8(1) and Art. 8(2) CDR, as they may both be solely dictated by the technical function of the product (namely to allow connection and disconnection), and constitute features of interconnection (namely, they must be reproduced in the exact dimensions in order to permit their connection). According to the Court, if a feature of appearance falls within both Art. 8(1) and (2), it must be possible to rely on Art. 8(3) CDR and it is for the EUIPO to examine whether that exception can be relied upon for those features. Therefore, the GCEU concluded (answering to question (iii)) that the Board of Appeal should have assessed whether the RCD met the requirements of Art. 8(3). Since it failed to do so, it erred in law.

As for the Second Plea, the GCEU recalled that a design must be declared invalid if all the features of its appearance are solely dictated by the technical function of the product concerned by that design. Thus, if at least one of the features of appearance of the product concerned is not solely dictated by the technical function of that product, the design at issue cannot be declared invalid under Art. 8(1). Furthermore, it is for the invalidity applicant to demonstrate that all the features of appearance of the product concerned by the contested design are solely dictated by the technical function.

The GCEU stated that the smooth surface of the upper face of the product concerned by the RCD was not included among the features identified by the Board, thus concluding that Art. 8(1) has been breached by the Board, which failed to identify all the features of appearance of the product concerned by the RCD, and did not establish that all of those features were solely dictated by the technical function of that product.

In the light of all the above, the EGC upheld the Applicant's First and Second pleas and annulled the Board of Appeal's decision in its entirety. This is a victory for building blocks manufacturers, as it confirms the protectability of their goods under design law.