

Commentary Article

THE DUTCH LEGAL BATTLE OVER INDUSTRIAL DESIGN BETWEEN CLIENT AND CONTRACTOR

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I. Introduction

The chair you are currently sitting on, the desk you might be working at, or the laptop sleeve that may be in your bag: these are all examples of industrial design. These products are widely produced, and each contains a function.² An example that illustrates the workings of this is the following: a contractor may be engaged by a client to design a product. The contractor designs the product according to the agreement, and in return receives compensation. The parties will enter into a special contract of assignment for this purpose, where the contractor undertakes the assignment, in this example the making of the chair.³ According to Article 1 of the Dutch Copyright Act, copyright belongs to the creator of the work.⁴ Based on this, you could state that the maker of the chair is the copyright owner of this product. This seems simple enough, however, it is a more complicated matter that it seems. This paper will serve as an overarching exposition of the legal bases as to which party constitutes as copyright owner. In addition to this, the contradictions that arise from these bases as well as the criticism on the evolution of these contradictions will be explored.

II. The legal framework of industrial design

To illustrate the complicated legal framework let us take the chair that you are presently sitting on: who is the copyright owner of this product? According to Article 10 (8) of the Dutch Copyright Act, the design of the chair is considered a work of literature, science or art. This work must be sufficiently, accurately and objectively identifiable. In addition, it has to be original; the chair as designed by the contractor must be its own intellectual creation. The concept of work is a harmonised European concept.⁵ Furthermore, the chair has a personalised seal: it contains human labour and the creative choices made by the creator.⁶ If no agreement is made between the client and contractor, the law designates copyright ownership.⁷ According to Article 1 of the Dutch Copyright Act, copyright belongs to the creator of the work.⁸ The contractor who designed the chair poured their creative labour into the work, therefore the contractor in this case is considered the creator and copyright owner.⁹ However, the client can successfully invoke article

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² Visser, *AMI* 2009/3, p.97-98.

³ Article 7:400 (1) of the Dutch Civil Code.

⁴ Article 1 of the Dutch Copyright Act.

⁵ C-5/08 *Infopaq I* [2009] CJEU; C-393/09 *BSA* [2010] CJEU; C-145/10 *Painer* [2011] CJEU & C-173/11 *Football Dataco v Yahoo* [2012] CJEU.

⁶ *Endstra Tapes* [2008] Dutch Supreme Court.

⁷ Geerts & Van den Hout, *IER* 2015/38, p. 254-258.

⁸ Article 1 of the Dutch Copyright Act.

⁹ *Kluwer v Lamoth* [1990] Dutch Supreme Court, par. 8.4.

8 of the Dutch Copyright Act, in which they are considered to be the copyright owner.¹⁰ These contradicting legal bases, one favouring the creator, the other the client, give rise to a legal battle of who constitutes the copyright owner. In this battle, another element can be added: in addition to copyright law, an industrial design can also be protected by design law. The Benelux Convention on Intellectual Property (BCIP) is crucial to this great battle for rightful ownership of the industrial design. Under Article 3.8(2) BCIP, the client is considered the ‘creator’ of the product within the meaning of design law, unless specified otherwise.¹¹ The applicability of these diverse regulations can lead to a lack of clarity and in some cases even contradictions. To prevent just that, the legislator has provided a concurrence rule in Article 3.29 BCIP to ensure that the design right and copyright of a product will end up in the hands of one person.¹² This means that the contractor in the example of the chair previously discussed will not only lose their copyright, by article 8 of the Dutch Copyright Law but will also lose it through the regulation of Article 3.8 (2) in conjunction with 3.29 BCIP. Through the successful use of these articles, the rights will be won by the client. The client has however no further (creative) connection to the work. So, what happens to the contractor? With the aid of the above regulation, the creator loses the very rights that are meant to protect them and their creativity.

III. Dutch Supreme Court ruling

This example illustrates that it is not always clear who qualifies as the copyright owner. This can cause a considerable legal battle between the client and the contractor. Another thing that complicates this legal battle is the recent Dutch Supreme Court’s opinion. The facts of that case are succinctly the following: Esschert markets firepits made by a freelance designer. The competing company S&S releases a similar product, upon which Esschert institutes a lawsuit. S&S put forward the defence that Esschert is not the copyright holder of the firepit. The underlying question in this case quickly becomes: does Esschert, as the client, own the copyright of the firepits? This would be possible, as we previously saw, based on Article 3.8(2) in conjunction with article 3.29 BCIP. But to be able to invoke this regulation the firepits and the packaging thereof need to be considered designs according to article 3.1 (1) BCIP. The Dutch Supreme Court considered that for the application of article 3.8(2) in conjunction with article 3.29 BCIP *it is not required that there is a design eligible for protection as referred to in Article 3.1(1) BCIP but it is sufficient that the product is a (drawing or) design within the meaning of Article 3.1(2) BCIP, i.e. ‘the appearance of a product or part thereof.’*¹³ This judgment indicates a general application of the fictitious creatorship. This implies that there need not be a protected design, as per Article 3.1 (1), only a design. Therefore the additional requirements laid down in Article 3.1 (1), are essentially irrelevant when the application of the fictitious creatorship is applied. With this, the Dutch Supreme Court accepts and recognizes the client’s copyright regime. This leaves the creator, once again, unprotected.

¹⁰ *Tariverdi v De Stadsonroep* [2003] Dutch Court of Appeal Amsterdam, par. 4.10; *Riviera Maison v Hoogendam Int.* [2008] Dutch Court of Appeal Amsterdam, par. 4.7; *Vuurkorven* [2013] Dutch Supreme Court, par. 4.23.

¹¹ Article 3.8 (2) BCIP.

¹² Geerts 2013, p.148.

¹³ Visser, *NJB* 2014/794: *Vuurkorven* [2013] Dutch Supreme Court, par. 4.2.2.

IV. Criticism

There was immense criticism of this particular judgment. The authors Vanhees and Keustermans believe that the Dutch Supreme Court should have addressed the question of whether the firepits are new and have an individual character to be eligible for design protection.¹⁴ Other authors, Senfleben for example, consider this ruling completely unnecessary. He argues that the Dutch Supreme Court should be more careful in ruling on the client's copyright: now the ruling is confusing the field. The Dutch Copyright Act and the BCIP establish the client as the rightful owner, which leaves the designer and his rights unprotected.¹⁵ The bar for invoking Article 3.8(2) in conjunction with article 3.29 BCIP has been immensely lowered by the Dutch Supreme Court's ruling.¹⁶ This has rightfully led to much criticism as it is undesirable and in contrast with the purpose of copyright law, which is to protect the creativity and the actual creator of the work.

V. Conclusion

The applicability of the legal framework outlined above can lead to a lack of clarity and in some cases even contradictions. As a result of these contradicting legal bases a legal battle of who constitutes the copyright owner commences. Article 3.8(2) in conjunction with article 3.29 BCIP stands in considerable contrast to the purpose of copyright law, which is to protect creators and their creativity. Article 8 of the Dutch Copyright Act in its current form already provides an opportunity for clients to obtain copyright. This article already has drastic consequences for the creators. Therefore, Article 3.8(2) in conjunction with article 3.29 BCIP should not remain in effect, especially if this regulation ensures that a creator also loses his copyright through the law of design.¹⁷

¹⁴ Vanhees, *Rechtskundig Weekblad* 2007-08, p. 1450. & Keustermans, *Tijdschrift voor Belgisch Handelsrecht* 2008, p. 411. According to the authors, it is logical that industrial design must meet the requirements of Article 3.1 (1) BCIP to enjoy design protection as well as copyright protection.

¹⁵ Senfleben, *AMI* 2014/2, p. 41-46.

¹⁶ Before this ruling, it was assumed that one had to comply with article 3.1 (1) BCIP to obtain copyright and design rights.

¹⁷ Siegelaar, *Beroepsorganisatie Nederlandse Ontwerpers* 2011.