Managing Intellectual Property

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Validity of a design: which law to apply?

One of the main issues raised since the Ordinance of July 25 2001 transposing the EU Directive 98/71/EC on design rights is that of the law to be applied when considering the validity of a design.

Several decisions rendered by French courts applied the new law and particularly the new criteria of protection to all French designs, even those filed under the previous law of July 14 1909.

This has resulted in a very unstable situation for the owner of design rights filed under the previous law since a title considered for several years as valid under one law suddenly may not be valid anymore because of a modification of the law.

Such a position is, in our opinion, (1) contrary to the classic principles concerning the law to be applied in the event of modification, and (2) contradictory to the solution upheld in trade mark matters.

Indeed, article 2 of the French Civil Code states: "Legislation provides only for the future; it has no retrospective operation" that is the principle of non-retroactivity of the law. A legal situation should be governed by the law in force at the date of the occurrence of this situation.

It is unfair for the owner of a registered design to be deprived of the benefit of protection from one day to the next, merely because the conditions have been replaced by more restrictive rules.

Such a situation could be justified by the fact that (1) under the previous law, the filing of a design was merely declarative of a right (and not constitutive), that is it was not considered as a title of rights, and (2) a French general rule of law states that an ordinance is of direct and immediate applicability. The combination of those elements leads to the fact that the design right, under the previous law, was "virtual" up to the day when the owner of a design right seeks its enforcement. Upon the exercise of the right, the validity of the design has to be ascertained and, since July 2001, necessarily under the provision of the new law (because of the immediate applicability of the Ordinance).

Furthermore, some authors justify such immediate application by citing a decision of the French Supreme Court of July 18 2000 stating that "in the matter of author's rights, the law which has to be applied is the law in force at the time of the act which provokes the birth of legal protection".

In our opinion, the courts could have opted for another solution for example distinguishing the conditions of the acquisition of rights (application of the law in force at the time of filing of the design: the former law) from the exercise of the rights - notably the scope of protection conferred, and infringement rules (application of the law in force at the time of the infringing acts). Such a *ratio decidendi* has already been applied by the French Supreme Court for the application of article 2.7 of the Berne Convention.

Although the situation is slightly different, and to draw a parallel, French courts have always considered that "the validity of a trade mark is to be appreciated from its filing date". Thus, the validity of trade marks filed under the previous French Trade Mark Law of 1964 is still judged according to the dispositions of that law.

For all the above-mentioned reasons, France is now in a strange situation, in which the courts are applying solutions contrary to the traditional ones.

This matter should be watched closely and will probably require an opinion from the French Supreme Court.


Gilles Ringeisen David-Irving Tayer