

**European Court of Justice, 14 September 1982,
Keurkoop v Nancy Kean**

DESIGN RIGHTS – EXHAUSTION

National design rights

- [In the absence of community standardization or of a harmonization of laws, community law does not prevent the interpretation Benelux law as described by the national court](#)

national legislation having the characteristics of the uniform Benelux law on designs falls within the scope of the provisions of article 36 of the treaty on the protection of industrial and commercial property. In the present state of its development community law does not prevent the adoption of national provisions of the kind contained in the uniform Benelux law, as described by the national court.

Exhaustion – Free movement of goods

- [The proprietor of a national design right may oppose the importation of products from another member state which are identical in appearance to the design which has been filed, provided that \(i\) the products in question have not been put into circulation in the other member state by, or with the consent of, \(ii\) the proprietor of the right or a person legally or economically dependent on him, that as between the natural or legal persons in question there is no kind of agreement or concerted practice in restraint of competition and finally \(iii\) that the respective rights of the proprietors of the right to the design in the various member states were created independently of one another.](#)

23 It must however be borne in mind that as far as the provisions on the free movement of goods are concerned prohibitions and restrictions on imports must, by virtue of article 36, be justified inter alia on grounds of the protection of industrial and commercial property and must not in particular constitute disguised restrictions on trade between member states.

24 Article 36 is thus intended to emphasize that the reconciliation between the requirements of the free movement of goods and the respect to which industrial and commercial property rights are entitled must be achieved in such a way that protection is ensured for the legitimate exercise, in the form of prohibitions on imports which are 'justified' within the meaning of that article, of the rights conferred by national legislation, but is refused, on the other hand, in respect of any improper exercise of the same rights which is of such a nature as to maintain or establish artificial partitions within the common market. The exercise of industrial and commercial property rights conferred by national legislation must consequently be restricted as far as is necessary for that reconciliation.

25 The court has consistently held that the proprietor of an industrial or commercial property right protected by the legislation of a member state may not rely on that legislation in order to oppose the importation of a

product which has lawfully been marketed in another member state by, or with the consent of, the proprietor of the right himself or a person legally or economically dependent on him.

26 Furthermore, the proprietor of an exclusive right may not rely on his right if the prohibition on importation or marketing of which he wishes to avail himself could be connected with an agreement or practice in restraint of competition within the community contrary to the provisions of the treaty, in particular to those of article 85.

27 Although a right to a design, as a legal entity, does not as such fall within the class of agreements or concerted practices envisaged by article 85(1), the exercise of that right may be subject to the prohibitions contained in the treaty when it is the purpose, the means or the result of an agreement, decision or concerted practice.

28 It is therefore for the national court to ascertain in each case whether the exercise of the exclusive right in question leads to one of the situations which fall under the prohibitions contained in article 85 and which may, in the context of the exercise of exclusive rights to designs take very different forms, such as, for example, the situation where persons simultaneously or successively file the same design in various member states in order to divide up the markets within the community among themselves.

Source: [Eur-Lex](#)

European Court of Justice, 14 September 1982

(Mertens de Wilmars, Bosco, Touffait, Due, Pescatore, Mackenzie Stuart, O'Keefe, Koopmans, Everling, Chloros, Grevisse)

Parties

In case 144/81

Reference to the court under article 177, of the eec treaty by the gerechtshof (regional court of appeal), The Hague, for a preliminary ruling in the proceedings pending before that court between

Keurkoop bv, whose registered office is in Rotterdam, Appellant,

And

Nancy Kean gifts bv, whose registered office is in The Hague,

Respondent,

Subject of the case

On the interpretation of article 36 of the eec treaty with a view to determining the conformity with community law of the uniform Benelux law on designs the terms of which were adopted by the convention of 25 october 1966 (tractatenblad 1966, no 292, p. 3),

Grounds

1 By judgment of 20 may 1981, received at the court on 5 june 1981, the gerechtshof (regional court of appeal), The Hague, referred to the court for a preliminary ruling under article 177 of the treaty two questions concerning the free movement of goods to enable the national court to determine the conformity with com-

munity law of the uniform Benelux law on designs the terms of which were adopted by the convention of 25 october 1966 (tractatenblad 1966, no 292, p. 3) and which entered into force on 1 january 1975.

2 It appears from the particulars supplied by the national court that the company Nancy Kean gifts whose registered office is at The Hague filed a design for a ladies ' handbag with the Benelux designs office on 23 april 1979.

3 The design filed by Nancy Kean gifts appears similar to an American design which was filed on 28 march 1977 as "US patent design 250.734" and mentioned as inventor mr siegel and as licensee the company amba marketing systems inc.

4 Nancy Kean gifts which obtained supplies from the company renoc A.G. of Zug, Switzerland, states that the handbag which it markets is made in taiwan whence it is directly dispatched to The Netherlands.

5 At the beginning of 1980 Nancy Kean gifts found that another undertaking, the company keurkoop bv, whose registered office is in rotterdam, was offering a ladies ' handbag the appearance of which Nancy Kean gifts considered to be identical with the design which it was itself selling and, in reliance on its exclusive right to the design, commenced proceedings for an interlocutory injunction against keurkoop before the president of the arrondissementsrechtbank (district court), rotterdam.

6 According to the particulars supplied by keurkoop, it obtained the handbag in question from a wholesale exporter, the formosa keystone products corporation whose registered office is in taiwan and which in turn obtains its supplies from two manufacturers, also established in taiwan, namely the taiwan plastic company and ocean lights industries corporation.

7 According to written statements given to the court by the parties to the main action and the commission the following appears to be the position. According to Nancy Kean gifts the bag in question is marketed in the federal republic of germany by otto gmbh, which imports it directly from taiwan. In the united kingdom the bag is sold by Nancy Kean gifts ltd and in denmark by atelier nancy aps. These last two legal persons belong to the same group as Nancy Kean gifts. They also buy the bags which are manufactured in taiwan from renoc ag, a swiss company. Keurkoop adds that the bag is also sold in The Netherlands by otto (tilburg) and euro direct service (tegele). Finally, according to keurkoop and the commission, the same design of handbag was filed on 18 april 1979 with the french designs registry by peter herman of new york.

8 By a judgment of 8 may 1980 the president of the arrondissementsrechtbank, rotterdam, granted the application made by Nancy Kean gifts and prohibited keurkoop from ' ' manufacturing, importing, selling, offering for sale, exhibiting, delivering, using or holding in stock with a view to any such action, for industrial or commercial purposes, one or more ladies ' handbags having an appearance identical to or displaying only minor differences from that of the design registered by the plaintiff ' '.

9 Keurkoop lodged an appeal against that judgment with the gerechtshof, The Hague, which in answer to the first two submissions made to it stated its views on several issues. Those views must be recorded because of the light which they throw on the questions referred to the court.

10 The gerechtshof first of all found that Nancy Kean gifts was not the author of the design for the bag which it had filed and that it had not filed the design with the consent of the author or of a person entitled under him as regards Benelux territory or as a result of any legal connection with any such person.

11 At paragraph 11 of the grounds of its judgment the gerechtshof defined the scope of the uniform Benelux law on designs. The gerechtshof pointed out that in the Benelux countries creative work was protected by copyright but the subject-matter of the protection provided by the uniform law was according to article 1 thereof only ' ' the new appearance of a product serving a utility purpose ' '. By virtue of article 4, products known in the past but forgotten for 50 years in the Benelux countries may be new within the meaning of the law. Furthermore the uniform law does not require that the novelty be the result of a creative act, that is to say, essentially artistic. Contrary to what keurkoop maintains, article 3 (1) which provides that ' ' the exclusive right to a design shall be acquired by the person who is first to file it ' ' is in no way based on the presumption that the person filing the design is the author of it. The uniform law seeks to protect the industrial manufacturer or craftsman who wishes his product, whether it be artistic or commonplace, to be distinguished from others, and it does not matter whether the person filing the design is an industrial manufacturer or craftsman. The aim of the law is to prevent the infringement during a specific period of designs chosen by industrial manufacturers and craftsmen and the test of infringement is whether the public may easily mistake one design for another.

12 In view of the two other submissions made to it by keurkoop the national court considers it necessary to refer the following two questions to the court for a preliminary ruling:

"1. Is it compatible with the rules contained in the eec treaty concerning the free movement of goods, in particular with the provisions of article 36 thereof, to give application to the uniform Benelux law on drawings or designs in so far as the effect of that law is to grant exclusive rights in a design, such as referred to in that law and having an object and function described in ground 11 of this judgment, to the person who was the first to file it with the competent authority, and when no person other than the person claiming to be the author of the design or the person commissioning or employing the author has the opportunity to challenge the right of the person who filed the design and/or to defeat an application for an injunction lodged by that person by relying on the fact that he is not the author of the design or the person commissioning or employing the author?"

"2. Can the application for an injunction be defeated in so far as it concerns products which the defendant has

obtained in a country belonging to the common market other than the country (belonging to the common market) for which the injunction is sought if no rights of the person who filed the design and who seeks the injunction are infringed in that other country by the marketing of those products?"

First question

13 The first question is essentially concerned with the question whether the provisions of article 36 of the treaty allow the application of a national law which, like the uniform Benelux law on designs, gives an exclusive right to the first person to file a design, without persons other than the author or those claiming under him being entitled, in order to challenge such exclusive right or defend an action for an injunction brought by the holder of the right, to contend that the person filing the design is not the author of it, the person who commissioned the design from him or his employee.

14 By way of a preliminary observation it should be stated that, as the court has already held as regards patent rights, trade marks and copyright, the protection of designs comes under the protection of industrial and commercial property within the meaning of article 36 inasmuch as its aim is to define exclusive rights which are characteristic of that property.

15 According to article 1 of the uniform Benelux law protection is afforded by that law only to the novel feature of a product serving a utility purpose, that is to say, according to article 4, a product which in fact has not been commonly known in the industrial or commercial circles concerned in the Benelux territory during the 50 years prior to the filing of the design. According to article 3 the exclusive right to a design is acquired by the first person to file it without it being necessary to inquire whether that person is also the author of the design or a person entitled under him. The reason for the rule is to be found in the function of the right to the design in economic life and in a concern for simplicity and efficacy. Finally, by virtue of the detailed rules laid down in article 5 of the law the author of the design may, during a period of five years, claim the right to its registration and may at any time claim to have the registration annulled.

16 Those features, which are neither exhaustive nor limitative, nevertheless allow it to be said that legislation having characteristics of the kind of those which have just been described constitutes legislation for the protection of industrial and commercial property for the purposes of article 36 of the treaty.

17 Although it is true that, by virtue of article 15 of the uniform Benelux law on designs, any person or body concerned, including the public prosecutor's department, may claim that the rights attached to the registration are null and void by contesting, in particular, the novelty of the product in the territory concerned; they may not, on the other hand, allege that the person filing the design is not the author, the person commissioning him or his employer. In view of this restriction the national court wonders whether the uniform law comes within the scope of article 36 of the treaty.

18 On that issue the court can only state that in the present state of community law and in the absence of community standardization or of a harmonization of laws the determination of the conditions and procedures under which protection of designs is granted is a matter for national rules and, in this instance, for the common legislation established under the regional union between Belgium, Luxembourg and The Netherlands referred to in article 233 of the treaty.

19 Consequently the rules on the free movement of goods do not constitute an obstacle to the adoption of provisions of the kind contained in the uniform Benelux law on designs, as described by the national court.

20 The answer to the first question must therefore be that national legislation having the characteristics of the uniform Benelux law on designs falls within the scope of the provisions of article 36 of the treaty on the protection of industrial and commercial property. In the present state of its development community law does not prevent the adoption of national provisions of the kind contained in the uniform Benelux law, as described by the national court.

Second question

21 The second question is essentially concerned with the question whether, in view of the provisions of the treaty the owner of an exclusive right to a design protected by the legislation of a member state may rely on that legislation in order to oppose the importation of products, whose appearance is identical to the design which has been filed, from one of the member states of the community where their marketing does not infringe any right of the owner to the exclusive right in the country of importation.

22 First of all it must be observed that in principle the protection of industrial and commercial property established by article 36 would be rendered meaningless if a person other than the owner of the right to the design in a member state could be allowed to market in that state a product which is identical in appearance to the protected design. That observation loses none of its force in the particular case, cited by the national court, where a person who wishes to market a product in a member state has obtained supplies for that purpose in another member state where the marketing of the product does not infringe the rights of the person who filed the design and who is the owner of the exclusive right thereto in the first state.

23 It must however be borne in mind that as far as the provisions on the free movement of goods are concerned prohibitions and restrictions on imports must, by virtue of article 36, be justified inter alia on grounds of the protection of industrial and commercial property and must not in particular constitute disguised restrictions on trade between member states.

24 Article 36 is thus intended to emphasize that the reconciliation between the requirements of the free movement of goods and the respect to which industrial and commercial property rights are entitled must be achieved in such a way that protection is ensured for the legitimate exercise, in the form of prohibitions on imports which are ' ' justified ' ' within the meaning of

that article, of the rights conferred by national legislation, but is refused, on the other hand, in respect of any improper exercise of the same rights which is of such a nature as to maintain or establish artificial partitions within the common market. The exercise of industrial and commercial property rights conferred by national legislation must consequently be restricted as far as is necessary for that reconciliation.

25 The court has consistently held that the proprietor of an industrial or commercial property right protected by the legislation of a member state may not rely on that legislation in order to oppose the importation of a product which has lawfully been marketed in another member state by, or with the consent of, the proprietor of the right himself or a person legally or economically dependent on him.

26 Furthermore, the proprietor of an exclusive right may not rely on his right if the prohibition on importation or marketing of which he wishes to avail himself could be connected with an agreement or practice in restraint of competition within the community contrary to the provisions of the treaty, in particular to those of article 85.

27 Although a right to a design, as a legal entity, does not as such fall within the class of agreements or concerted practices envisaged by article 85 (1), the exercise of that right may be subject to the prohibitions contained in the treaty when it is the purpose, the means or the result of an agreement, decision or concerted practice.

28 It is therefore for the national court to ascertain in each case whether the exercise of the exclusive right in question leads to one of the situations which fall under the prohibitions contained in article 85 and which may, in the context of the exercise of exclusive rights to designs take very different forms, such as, for example, the situation where persons simultaneously or successively file the same design in various member states in order to divide up the markets within the community among themselves.

29 It follows from the foregoing that the answer to be given to the second question is that the proprietor of a right to a design acquired under the legislation of a member state may oppose the importation of products from another member state which are identical in appearance to the design which has been filed, provided that the products in question have not been put into circulation in the other member state by, or with the consent of, the proprietor of the right or a person legally or economically dependent on him, that as between the natural or legal persons in question there is no kind of agreement or concerted practice in restraint of competition and finally that the respective rights of the proprietors of the right to the design in the various member states were created independently of one another.

(...)