

INTELLECTUAL PROPERTY - AUSTRIA

Dispenser for free newspapers – work of art?

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In a recent decision, the Supreme Court set out clear principles regarding the protection of a work of visual art (a newspaper dispenser) under the Copyright Act where technical functions played a role. (1)

Facts

The plaintiff and the defendant published free newspapers. The newspapers were distributed, among other methods, via newspaper dispensing boxes which were erected close to public transport stations.

The plaintiff lodged a cease and desist claim – including a request for interim relief – against the defendant, alleging that the defendant had imitated the plaintiff's boxes in order to exploit the plaintiff's reputation. The claim was based on both the Copyright Act and the Act on Unfair Competition. The plaintiff requested the court to order the defendant to stop manufacturing and using the imitated boxes.

Provisional proceedings

The first and second-instance courts refused interim relief. The Supreme Court declined to review the lower courts' decisions. It highlighted that the appeal court's opinion, according to which neither the Copyright Act nor the Act on Unfair Competition had been infringed, was defensible.

With regard to copyright, the Supreme Court stated that the design elements were dictated predominately by technical functions. The Supreme Court stressed that the question of whether a work combines technology and art – and is therefore a work of art under the Copyright Act – can be answered only by examining the individual design elements and deciding whether they were chosen due to technical reasons or based on taste, beauty or aesthetics.

The claim under the Act on Unfair Competition was rejected because the imitation was found not to be in a slavish manner. Moreover, the Supreme Court confirmed the view that there was no likelihood that the relevant public would confuse the origin of the respective boxes due to different labelling on the boxes.(2)

Proceedings on the merits

When the plaintiff once again appealed in the proceedings on the merits, the case came back to the Supreme Court, which ruled as before. However, the Supreme Court made some interesting comments regarding procedural issues and the interpretation of the statutes in question.

Procedural issues

The plaintiff complained that the appeal court had failed to obtain an expert opinion in order to determine, in particular, whether the box's shape was dictated predominately by a technical

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function. Referring to previous case law, the Supreme Court stated that an intellectual creation is protected by copyright if:

- it must be defined on the basis of an open approach as 'art'; and
- it possesses a minimum level of design distinguishing it from other (similar) products (ie, originality and individuality).

The assessment must be carried out objectively by the judge and not by an expert because the issue of whether something is a work of art is a legal, not a factual, question. As such, the central question is whether the design must be attributed to the technician or the artist. Technical solutions are never protected by copyright, even if there are different approaches regarding how to shape the respective technical idea. The assessment of a work by the courts along this line concerns the individual case only; therefore, appeals to the Supreme Court are generally not justified.

Referring to *Doceram*, (3) the Supreme Court stated that the assessment must relate to the design elements of the work and thus to its objective features. The objective characteristics which clarify the motivation for choosing the appearance of a work are decisive, rather than the creator's subjective perceptions, inspiration or opinions of experts or third parties. The plaintiff's argument that the shape of the boxes was unusual (ie, dysfunctional) due to its height and therefore a piece of art was also rejected. The Supreme Court pointed out that in light of the highly sought-after free newspaper market, the boxes' unusual physical shape (in particular, their height) was fulfilling a purposeful function – namely, to provide additional advertising space to get customers' attention.

Unfair use of signs and marks

Regarding the argument of unfair use of signs and marks, the Supreme Court clarified that the exploitation of reputation requires a risk that the reputation will actually be transmitted. In other words, there must be an objective possibility that the audience will project the qualities prescribed for one company or product onto another company or product. Since the plaintiff failed to demonstrate that its reputation had been transmitted, the claim based on the Act on Unfair Competition was quashed.

Comment

The Supreme Court has clearly explained that the assessment as to whether a (visual) piece of work is actually protected by copyright must be assessed by the court as a legal issue only. There is no room to consider the opinion of experts or any other third parties. An exception may apply only if it is impossible for the judge to assess the technical features of the work without an expert's help.

Further, the Supreme Court has provided guidelines on how to examine the elements of a design in order to determine whether it is dictated predominantly by technical functions or artistic reasons (taste, beauty or aesthetics). Moreover, the Supreme Court made clear that subjective considerations and perceptions of the author of the work are irrelevant since the assessment of the work must be carried out by taking into account the work's objective design only.

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Endnotes

- (1) OGH 11 June 2018, 4 Ob 101/18h.
- (2) OGH 23 February 2016, 4 Ob 13/16 i.
- (3) EuGH 8 March 2018, C-395/16, DOCERAM GmbH, marg note 37f.

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