

3. Effect of the invalidation

The invalidation of a Community design has an *ex tunc* effect³⁰⁶ – the design is to be treated as if it had not existed at all, to the extent that it has been declared invalid. This effect is introduced when the decision on declaration of invalidity becomes final³⁰⁷ and is subject to the possibility to maintain the Community design in an amended form in spite of its eligibility for invalidation, as long as that form complies with the requirements for protection and the identity of the design is retained, which may include a disclaimer and which can be done upon a motion of the design's holder or by way of a decision declaring the design's partial invalidity.³⁰⁸ Due to the abstract nature of the design protection³⁰⁹ such an amendment may limit only the content of the design and not the goods or services for which it may be applied – therefore if that is not possible it should be declared invalid *in toto*.³¹⁰ Despite the CDR being modelled on the rules of the CTMR, it does not include a provision corresponding to Art. 112 CTMR, which would allow for a conversion of a design challenged for validity into national design applications.

Moreover, an amendment may not limit the territorial character of the Community design. Even in the cases where the application or counterclaim for invalidation are based on a national right – due to the unitary character³¹¹ of the Community design right, the effect of invalidation stretches onto the entire territory of the European Union,³¹² and is not limited to the territory where the prior right exists. This is different under German law as regards the unregistered trade marks³¹³ and company symbols³¹⁴ which may cause invalidation of a national design only when they are nation-wide, while in the cases where they exist locally – they have an effect of a territorial limitation of the design right.³¹⁵ Therefore it has been suggested by the German authors, that an unregistered German trade

306 Art. 26(1) CDR, Suthersanen, *supra* note 21, 6-078.

307 Art.87 CDR.

308 Art. 25(6) CDR; under *Community Design Invalidity Manual*, *supra* note 15, B.1.3, maintenance in an amended form may include registration of the design with a disclaimer, or entry into Register of a decision by court or OHIM Invalidity Division declaring the design's partial invalidity.

309 See *supra* Chapter II.B.

310 Hartwig and Traub in: Comments to ICD 000001477 - *Hee Jung Kim v Zellweger Analytics Limited*, OHIM Invalidity Division March 1, 2006, in Hatrwig 2007, *supra* note 130, 220.

311 Art. 1(3) CDR.

312 *CD Handbook*, *supra* note 295, 7-039/1.

313 §4 No 2 MarkenG.

314 §5 MarkenG.

315 Eichmann in: Helmut Eichmann and Roland Vogel von Falckenstein, *Geschmacksmustergesetz* [2010] C.H. Beck, §34 para. 3.

mark or a company symbol can provide a ground for invalidation of a Community design only when this prior right exists for the entire territory of Germany.³¹⁶

B. Invalidation of the design or action for infringement of the prior sign?

As has been shown (*supra* in Chapter III.) the invalidation of a Community design on the ground provided in Art. 25(1)(e) CDR grants the prior distinctive sign a very broad protection, based on both harmonised and not harmonised legal grounds, requiring different conditions for grant of protection and level of proof and hence giving the holders of prior signs a rich arsenal of weapons against a Community design.

Taking into consideration that if the design is novel and possesses an individual character, the owner of a prior sign can still invalidate it arguing that it infringes his distinctive sign, a question can be asked whether this owner could be more interested in invalidation of the entire Community design, or rather in starting a case on infringement of that sign, since the arguments he would be making in both proceedings correspond. After all, the invalidation of a Community design does not result in prohibition of use of the sign – it will only deprive the design owner of a negative right to stop others from using the design. What most owners of distinctive signs are interested in is in fact an injunction against the use of a design which can be obtained only in infringement proceedings and not upon application for invalidation of a Community design. But since a Community design benefits from an assumption of validity,³¹⁷ a legitimate doubt arises as to whether the owner of a distinctive sign may obtain an injunction against the use of a later Community design on the ground of infringement of his rights to a sign, without first obtaining a decision on invalidation of such a design.

This matter, although based on a slightly different factual pattern, has been a subject of a preliminary question to the CJEU by the Community Design Court in Alicante on 11 October 2010.³¹⁸ The case refers to a conflict between two designs in a situation where the subsequent registration was effected after the receipt of a cease and desist letter from the owner of the prior design, who subsequently filed a lawsuit for infringement of his right. The other party's defence was that as long as the design is not declared invalid, its owner has a positive

316 Eichmann in: Helmut Eichmann and Annette Kur, *Designrecht. Praxishandbuch* [2009] Nomos, 93.

317 Art., 85 and Art. 94 CDR.

318 Reference for a preliminary ruling from the Juzgado de lo Mercantil No 1 de Alicante (Spain) Case C-488/10 - *Celaya Empananza y Galdos Internacional S.A. v Proyectos Integrales de Belizamientos S.L.*, available at: http://curia.europa.eu/jmcs/jmcs/j_6/ under the case number.