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JUDGMENT OF THE COURT (Second Chamber)

30 June 2005

(Equal treatment – Principle of non-discrimination on grounds of nationality – Copyright and related rights)

In Case C-28/04,

REFERENCE for a preliminary ruling under Article 234 EC from the Tribunal de grande instance de Paris (France), made by decision of 5 December 2003, received at the Court on 28 January 2004, in the proceedings

Tod's SpA,

Tod's France SARL

v

Heyraud SA,

intervener:

Technisynthèse,

THE COURT (Second Chamber),

composed of C.W.A. Timmermans (Rapporteur), President of the Chamber, R. Silva de Lapuerta, R. Schintgen, P. Kūris and G. Arestis, Judges,

Advocate General: F.G. Jacobs,

Registrar: R. Grass,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– Tod's SpA and Tod's France SARL, by C. de Haas, avocat,

– Heyraud SA and Technisynthèse, by C. Menage, avocat,

– the French Government, by G. de Bergues and A. Bodard-Hermant, acting as Agents,

– the Italian Government, by I.M. Braguglia, acting as Agent, assisted by P. Gentili, avvocato dello Stato,

– the Commission of the European Communities, by K. Banks, acting as Agent,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

Judgment

1 The reference for a preliminary ruling concerns the interpretation of Article 12 EC.

2 That reference was made in proceedings between Tod's SpA ('Tod's') and Tod's France SARL ('Tod's France'), claimants in the main proceedings, and Heyraud SA ('Heyraud'), defendant in the main proceedings, and Technisynthèse, intervener in the main proceedings, concerning an action for infringement of registered designs of shoes.

The international rules

3 Article 2(7) of the Berne Convention for the Protection of Literary and Artistic Works (Paris Act of 24 July 1971), as amended on 28 September 1979 ('the Berne Convention'), is worded as follows:

'… it shall be a matter for legislation in the countries of the Union [for the protection of the rights of authors in their literary and artistic works; "the Union"] to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected. Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.'

4 Article 5(1) of the Berne Convention states:

'Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention.'

5 Article 5(4) of the Berne Convention provides:

'The country of origin shall be considered to be:

(a) in the case of works first published in a country of the Union, that country; in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country whose legislation grants the shortest term of protection;

(b) in the case of works published simultaneously in a country outside the Union and in a country of the Union, the latter country;

(c) in the case of unpublished works or of works first published in a country outside the Union, without simultaneous publication in a country of the Union, the country of the Union of which the author is a national, provided that:

(i) when these are cinematographic works the maker of which has his headquarters or his habitual residence in a country of the Union, the country of origin shall be that country, and

(ii) when these are works of architecture erected in a country of the Union or other artistic works incorporated in a building or other structure located in a country of the Union, the country of origin shall be that country.'

The main proceedings and the question referred for a preliminary ruling

6 It is apparent from the order for reference that Tod's is a company established under Italian law which claims to be the proprietor of artistic intellectual property rights in the shoes distributed under the Tod's and Hogan trade marks. Tod's France is the distributor of those shoes in France.

7 Having learnt that Heyraud was offering for sale and selling under the Heyraud name designs of shoes which copied or at least imitated the principal characteristics of the Tod's and Hogan designs, Tod's arranged for a bailiff's report to be drawn up on 8 February 2000. On 13 February 2002, the claimants in the main proceedings brought an action against Heyraud before the referring court. Technisynthèse, a subsidiary of the Eram group, entered the proceedings as a voluntary intervener in support of Heyraud.

8 The subject-matter of the main proceedings consists, inter alia, of an action for infringement of registered designs of shoes bearing the Tod's and Hogan trade marks, against which Heyraud raises a plea of inadmissibility under Article 2(7) of the Berne Convention. Heyraud contends that, under that provision, Tod's is not entitled to claim copyright protection in France for designs that do not qualify for such protection in Italy.

9 Tod's replies, inter alia, that application of the provision in question constitutes discrimination within the meaning of Article 12 EC.

10 The referring court takes the view that the use of the phrase 'shall be entitled … only' in the second sentence of Article 2(7) of the Berne Convention has the effect of depriving Union nationals who, in the country of origin of their work, enjoy only the protection granted in respect of designs and models, of the right to bring proceedings based on copyright in the countries of the Union which allow cumulation of protection.

11 According to that court, while it appears that that provision makes no distinction based on the nationality of the proprietor of the copyright, it remains the case that its scope under Community law is debatable where the country of origin of the 'published' work will most commonly be the country of which the author is a national or in which he has his habitual residence, and where the country of origin of an 'unpublished' work will, under Article 5(4)(c) of that convention, be the country of which the author is a national.

12 Taking the view that the outcome of the proceedings before it hinges on the interpretation of Article 12 EC, the Tribunal de grande instance de Paris decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

'Does Article 12 … EC … , which lays down the general principle of non-discrimination on grounds of nationality, mean that the right of an author to claim in a Member State the copyright protection afforded by the law of that State may not be subject to a distinction based on the country of origin of the work?'

Preliminary observations

13 Tod's and Tod's France are unsure as to the relevance of the question referred by the national court. The conditions for the application of Article 2(7) of the Berne Convention to the main proceedings are not satisfied. Moreover, they are surprised at that question in view of the fact that there is clear guidance in French case-law – which they none the less dispute – according to which that provision does not give rise to discrimination.

14 It is to be remembered in this regard that it is not for the Court of Justice to rule on the applicability of provisions of national or, in this case, international law which are relevant to the outcome of the main proceedings. The Court must take account, under the division of jurisdiction between the Community Courts and the national courts, of the legislative context, as described in the order for reference, in which the question put to it is set (see, to that effect, Case C-475/99 *Ambulanz Glöckner* [2001] ECR I-8089, paragraph 10, and Case C-153/02 *Neri* [2003] ECR I-13555, paragraphs 34 and 35).

15 With regard to the purported guidance for the French courts found in their case-law, it is sufficient to recall that the second paragraph of Article 234 EC provides that any court or tribunal of a Member State may, if it considers that a decision on a question of interpretation is necessary to enable it to give judgment, request the Court of

Justice to give a ruling thereon (Case 283/81 *Cilfitand Others* [1982] ECR 3415, paragraph 6).

16 Moreover, while most of the observations submitted to the Court also relate, at least in part, to Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (OJ 1998 L 289, p. 28), there is no need for the Court to rule on the interpretation of the provisions of that directive.

17 It must be pointed out that the referring court's question to the Court concerns only the interpretation of Article 12 EC. Moreover, as the Commission of the European Communities rightly observes, the facts in the main proceedings, which gave rise to a bailiff's report drawn up on 8 February 2000, occurred before the expiry of the time-limit for the transposition of Directive 98/71 by the Member States, namely 28 October 2001.

The question referred for a preliminary ruling

18 It should be recalled that copyright and related rights, which by reason in particular of their effects on intra-Community trade in goods and services fall within the scope of application of the EC Treaty, are necessarily subject to the general principle of non-discrimination laid down by the first paragraph of Article 12 EC (Joined Cases C-92/92 and C-326/92 *Phil Collins and Others* [1993] ECR I-5145, paragraph 27, and Case C-360/00 *Ricordi* [2002] ECR I-5089, paragraph 24).

19 Moreover, as the Court has consistently held, the rules regarding equality of treatment between nationals and non-nationals prohibit not only overt discrimination by reason of nationality but also all covert forms of discrimination which, by the application of other distinguishing criteria, lead to the same result (see, inter alia, Case C-29/95 *Pastoors and Trans-Cap* [1997] ECR I-285, paragraph 16, and Case C-224/00 *Commission* v *Ital* y [2002] ECR I-2965, paragraph 15).

20 It is apparent from the order for reference that application, in the national law of a Member State, of Article 2(7) of the Berne Convention leads to a distinction based on the criterion of the country of origin of the work. In particular, the effect of such application is that no advantageous treatment, namely the enjoyment of twofold protection based, firstly, on the law relating to designs and, secondly, on the law of copyright, will be granted to the author of a work the country of origin of which is another Member State which affords that work only protection under the law relating to designs. By contrast, the abovementioned advantageous treatment is granted, in particular, to authors of a work the country of origin of which is the first Member State.

21 It is therefore necessary to examine whether, by adopting a distinguishing criterion based on the country of origin of the work, the application of rules such as those at issue in the main proceedings may constitute indirect discrimination by reason of nationality within the meaning of the case-law cited in paragraph 19 of the present judgment.

22 Heyraud and Technisynthèse, as well as the French Government, argue that that is not the case. The latter maintains, in particular, that, in view of the high mobility of designers and their successors in title in the field of the applied arts, the place of first publication of a design does not necessarily coincide with the nationality of its author and that, more often than not, the two do not coincide. It follows that the application of Article 2(7) of the Berne Convention does not substantially, or in the great majority of cases, operate to the detriment of nationals of other Member States and that that provision does not, therefore, give rise to indirect discrimination.

23 However, that argument cannot be accepted.

24 The existence of a link between the country of origin of a work within the meaning of the Berne Convention, on the one hand, and the nationality of the author of that work, on the other, cannot be denied.

25 In the case of unpublished works, that link is not in any doubt since it is expressly provided for in Article 5(4)(c) of the Berne Convention.

26 As regards published works, the country of origin is essentially, as Article 5(4)(a) of that convention indicates, the country where the work was first published. The author of a work first published in a Member State will, in the majority of cases, be a national of that State, whereas the author of a work published in another Member State will generally be a person who is not a national of the first Member State.

27 It follows that the application of rules such as those at issue in the main proceedings is liable to operate mainly to the detriment of nationals of other Member States and thus give rise to indirect discrimination on grounds of nationality (see, to that effect, Case C-279/93 *Schumacker* [1995] ECR I-225, paragraphs 28 and 29, and *Pastoors and Trans-Cap*, cited above, paragraph 17).

28 However, that finding is not sufficient under the Court's case-law to justify the conclusion that the rules at issue are incompatible with Article 12 EC. For that it would also be necessary for the application of those rules not to be justified by objective circumstances (see, to that effect, Case C-398/92 *Mund & Fester* [1994] ECR I-467, paragraphs 16 and 17, and *Pastoors and Trans-Cap*, paragraph 19).

29 The French Government is of the opinion that Article 2(7) of the Berne Convention is in any event justified by a legitimate objective and that it is appropriate and necessary for the achievement of that objective.

30 It argues that the purpose of the Berne Convention is the protection of literary and artistic works and that Article 2(7) and Article 5(4) of that convention specify the conditions under which such works are to be protected by copyright on the basis of an objective criterion based on the law applicable to the classification of the work. In its view, where a design cannot aspire to classification as an artistic work in the country

where it was first published, it is not entitled to such protection in the States party to the Berne Convention since it does not exist as an artistic work. Article 2(7) thus concerns not the detailed rules for the exercise of copyright, but the law applicable to the artistic classification of the work.

31 However, those considerations do not lead to the conclusion that there are objective circumstances capable of justifying the application of rules such as those at issue in the main proceedings.

32 As is apparent from Article 5(1) of the Berne Convention, the purpose of that convention is not to determine the applicable law on the protection of literary and artistic works, but to establish, as a general rule, a system of national treatment of the rights appertaining to such works.

33 Article 2(7) of that convention contains, for its part, as the Commission rightly observes, a rule of reciprocity under which a country of the Union grants national treatment, that is to say, twofold protection, only if the country of origin of the work also does so.

34 It should be recalled that it is settled case-law that implementation of the obligations imposed on Member States by the Treaty or secondary legislation cannot be made subject to a condition of reciprocity (Case C-405/01 *Colegio de Oficiales de la Marina Mercante Española* [2003] ECR I-10391, paragraph 61 and the case-law cited).

35 Since no other objective circumstance capable of justifying rules such as those at issue in the main proceedings has been relied on, those rules must be considered to constitute indirect discrimination on grounds of nationality prohibited by Article 12 EC.

36 The answer to the question referred must therefore be that Article 12 EC, which lays down the general principle of non-discrimination on grounds of nationality, must be interpreted as meaning that the right of an author to claim in a Member State the copyright protection afforded by the law of that State may not be subject to a distinguishing criterion based on the country of origin of the work.

Costs

37 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. The costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

Article 12 EC, which lays down the general principle of non-discrimination on grounds of nationality, must be interpreted as meaning that the right of an author

to claim in a Member State the copyright protection afforded by the law of that State may not be subject to a distinguishing criterion based on the country of origin of the work.

[Signatures]

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* Language of the case: French.