



Designs – Things to Come?

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The drivers for reform

- Learning from 2 decades of the current EU design system
- Learning from the systemic EU trade mark reforms
- Keeping trade mark and design registration in step
 - At EUIPO
 - At national offices
- Participating in global design harmonisation

Design Reform - Timeline

- 1989 *The CDPA 1988, UK UDR*
- 1991 The EU Green Paper
- 1998-2001 Directive 98/71 implemented
- 2002 Regulation 6/2002 implemented
- 2004-2014 Failed proposal COM(2004)0582 on spare parts
- 2008 EU joins Hague International system
- 2011 Max Planck Report on the trade mark system
- 2013 WIPO's attempted DLT (temporarily?) stalled
- 2014-2018 EU, US bilateral trade agreements require Hague accession
- 2014-2018 US, S Korea, Japan, Russia accede to Hague
- 2015-2016 Singapore, Australia review design systems
- 2016-2017 Implementation of the trade mark reforms

2016 Legal Review - Substantive Law Questions

We asked about:

- Product – what is its effect:
 - On scope of protection and novelty?
 - On individual character?
- Technical Function exclusion – how to assess?
- Spare parts – is a common solution (“repair clause”) now possible?
- Definition of “design”
 - Is visibility a requirement? If so, when (in use, on sale)?
 - If not, is tacitly protectable?
- Copyright – what will be the effect of “strong” cumulation?

Since we wrote ... (1) Effect of Product

- Partly decided by the CJ in Joined Cases C-361/15 P and C-405/15 P *Easy Sanitary Solutions v Group Nivelles and EUIPO*
 - No effect on infringing products
 - No effect on availability of prior art

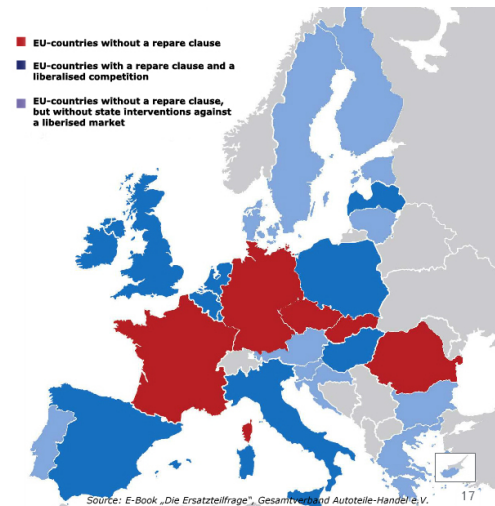
Since we wrote ... (2) Technical Function

- Case C-395/16 *DOCERAM v CeramTec* was referred from German Courts to CJEU, asking essentially whether the *Lindner* (Chaff Cutters) approach is correct.
- The recent Opinion of A-G Saugmandsgaard Øe rejects **both** the “multiplicity of forms” and the “designers intention” tests, and also the EUIPO “objective observer” approach, but declines to define the correct approach.
- Will this leave so much discretion to the national Courts that industry will lack certainty? Hopefully the CJEU will clarify.

Since we wrote ... (3) Spare parts

Status quo when we wrote was:

- Different at EU and national level
 - “Repair clause” Art 110 for CDs
 - “Freeze-plus” freedom for national systems
- A deeply divided market in which:
 - “Franco-German” axis (and others) protect spare part designs
 - Scandinavian countries apply shorter term
 - UK, IT, ES, BX, HU (and others) apply RCD-style “repair clause”
- A program of “test cases” in DE, ES, IT, GB, by automakers (including Audi & BMW)



(3) Spare parts and “must match”

UK CDPA 1989 s.213(3)(b)(ii)

- no design right in features of shape or configuration of an article which “are **dependent upon the appearance of another article of which the article is intended by the designer to form an integral part**”

1993 Draft - EU Regulation Art 23/Directive Art 14

- The rights conferred by a Registered Community Design shall not be exercised against third parties who, **after three years from the first putting on the market** of a product incorporating the design or to which the design is applied, use the design under Article 21, provided that:
 - (a) the product incorporating the design or to which the design is applied is a part of a complex product **upon whose appearance the protected design is dependent**;
 - (b) the purpose of such a use is to permit the repair of the complex product so as to restore its original appearance; and
 - (c) **the public is not misled as to the origin of the product used for the repair.**

CDR Art 110(1) “Repair Clause”

Art 110(1) Until such time as amendments to this Regulation enter into force on a proposal from the Commission on this subject, protection as a Community design shall not exist for a design which constitutes a component part of a complex product used within the meaning of Article 19(1) for the purpose of the repair of that complex product so as to restore its original appearance.

Recital 13 “... it is appropriate not to confer any protection as a Community design for a design which is applied to or incorporated in a product which constitutes a component part of a complex product **upon whose appearance the design is dependent** and which is used for the purpose of the repair of a complex product so as to restore its original appearance ...”

(3) Spare Parts Commission Proposal

- “Repair clause” (covering **all** spare parts), plus origin protection
- Vetos by France, Germany, Sweden, Czech Republic, Romania and Slovenia
- Competition Authorities in France (2012) and Romania (2013) since recommended liberalisation ... but no government action
- Proposal finally withdrawn in 2014 – “without prejudice”

(3) Spare Parts – CJEU on Art 110

- Judgment in September 2017 on replica wheels in Joined Cases C-397/16 and C-435/16 *Acacia v Audi & Porsche*
 - Summarises case law “pro” and “anti” implying the “must match” restriction into Art. 110 CDR (does not mention *BMW v Round & Metall*, Arnold J)
 - A-G considered that Art. 110 is not so limited: “*such an interpretation ... would lead to the reintroduction, by judicial means, of a condition which was removed in the legislative process.*”
 - CJEU agreed: “*It is therefore apparent ... that the absence of a limitation on the scope of that provision to parts whose shape is fixed by the shape of the complex product stems from a choice made during the legislative process.*”
- So – no limitation to “must match” spare parts; wheels, steering wheels, seats, wing mirrors etc are all covered.

Spare Parts – Use of trade marks

- C-500/14 *Ford v Wheeltrims*: law “*must be interpreted as not allowing ... a manufacturer of replacement parts and accessories for motor vehicles, such as wheel covers, to affix to its products a sign identical to a trade mark registered for such products ... on the ground that the use thus made of that trade mark is the only way of repairing the vehicle concerned, restoring to that complex product its original appearance.*” So, if the part has a trade mark on it, you can’t copy it.
- However, C-397/16 and C-435/16 say that to benefit from Art 110, “*... the replacement part must have an **identical visual appearance** to that of the part which was originally incorporated into the complex product when it was placed on the market*”
- According to the A-G, “*... the affixing of a trade mark owned by a third party ... does not imply that the appearance of the replacement part differs from that of the original part to which a trade mark owned by the Community design holders — such as Audi or Porsche — was affixed. Indeed, if that were the case, the exclusive trade mark protection rights of the design holders would allow them to render the scope of Article 110(1) of Regulation No 6/2002 non-existent.*” But the CJ did not repeat this.

Spare Parts – Duty to stay in repair channel

- Because of “... the need to preserve the effectiveness of that regime of protection requires that persons relying on that derogation contribute, so far as possible, to ensuring strict compliance, particularly by the end user, with the conditions laid down in Article 110(1) ... while the manufacturer or seller of a component part of a complex product cannot be expected to guarantee, objectively and in all circumstances, that the parts they make or sell ... are, ultimately, actually used by end users in compliance with those conditions, the fact remains that, in order to benefit from the derogatory regime thus put into place by that provision, such a manufacturer or seller is ... under a duty of diligence as regards compliance by downstream users with those conditions.”
- Must “inform the downstream user, through a clear and visible indication on the product, on its packaging, in the catalogues or in the sales documents,
 - on the one hand, that the component part concerned incorporates a design **of which they are not the holder** and,
 - on the other, that the part is **intended exclusively to be used for the purpose of the repair** of the complex product so as to restore its original appearance.”
- Must, “through appropriate means, in particular contractual means, **ensure that downstream users do not intend** to use the component parts at issue in a way that does not comply with the conditions prescribed”
- Must “**refrain from selling** such a component part where they know or, in the light of all the relevant circumstances, **ought reasonably to know** that the part in question will not be used in accordance with the conditions laid down ...”

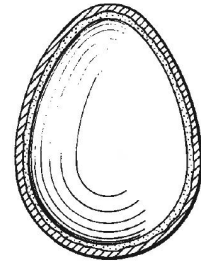
Would reform be better?

- These judgments look good for spare part makers – they are not limited to must-match parts
- But are there so many strings and vagaries that we would be better off with clearer rules?
- Watch this space.

Visibility a requirement?



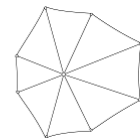
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- There is a specific visibility clause relating to component parts, but ...
- Some troubling GC decisions on visibility in general:
 - Case T-39/13 *Cezar Przedsiębiorstwo Produkcyjne Dariusz Bogdan Niewiński v OHIM* "... it must be emphasised that visibility is an essential criterion for the protection of Community designs ..."
 - Case T-494/12, *Biscuits Poult SAS v OHIM* (2014) – fillings of cookies – "the non-visible characteristics of the product, which do not relate to its appearance, could not be taken into account in the determination of whether the contested design could be protected".
- But why was filling non-visible? No explanation. Filling is visible whilst eating, also expectation is there based on advertising
- Polish Courts apparently agree: see ice cream cases.
- Former UK case law came to the opposite view: *Ferrero's Application* (egg)

Visibility in use or on sale?

- Pragmatic approaches in Cases T-41/14 *Argo* (Advertising), T-22/13 and T-23/13 *Senz Technologies* (Umbrellas)
- Visibility at point of purchase sufficient – by analogy with undergarments (Compare with *Kestos v Kempat & Kemp* (GB – bras))
- *In Re Webb* (US – hips) – visibility at any time "beginning after completion of manufacture or assembly and ending with the ultimate destruction, loss, or disappearance of the article" and including "all commercial uses of the article prior to its ultimate destination" ... "features of the device were displayed in advertisements and in displays at trade shows"



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