



Advancing Industry's View On Intellectual Property Since 1920

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26 May 2005

ref: CD18/05

Dear Pierre

Consultation on the proposal for a Directive of the European Parliament and of the Council amending Directive 98/71/EC on the legal protection of designs

I have pleasure in enclosing the response of the TMPDF to the consultation. It addresses itself in the main to general matters and the issues raised in Questions 4 and 5.

The TMPDF is a representative organisation: a list of its members is attached to the paper. We have no objection to publication of this response. We should be grateful for an acknowledgement.

Yours sincerely

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Chairman of the Copyright and Designs Committee, TMPDF

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Proposal for a Directive amending Directive 98/71/EC on the legal protection of designs COM(2004) 582 final

Comments of the Trade Marks Patents and Designs Federation

TMPDF represents the views of UK industry in matters concerning intellectual property. Its members include many of the major innovative UK companies; a list of members is attached.

As to the broad principle of whether the Designs Directive should be amended to introduce a harmonised repair clause this Federation takes no position. Amongst its membership are representatives of both automotive vehicle manufacturers and automotive equipment manufacturers and it has never taken a position on the desirability of a repair clause within the Designs Directive.

However, there is nothing sector-specific in the proposal and it will affect our members in many other sectors. Therefore, in the interests of all our members, we wish to comment on the proposal as presented. In brief, in our view, considerably more precision is needed in the way it is worded.

Sectors affected by the proposal

In our view the Commission has been unduly dismissive of the effects of the proposal outside the automotive sector. The consultation described in Section 6 of the Explanatory Memorandum, though extensive, appears to have been directed exclusively at the automotive sector. There has been no proper consideration of the effects the proposal would have in other sectors. In its Frequently Asked Questions¹ the Commission is reduced to commenting:

"Other sectors for which there is a repair sector are for instance, domestic electrical appliances, sanitary appliances, motorbikes and watches. However the removal of design protection might have only very minor impact on these."

While it is no doubt true that the total economic value to which the proposal would apply is greatest in the automotive sector, replacement parts can be an important part of the total economic equation for other industries. Examples of products from our members that would (or might, depending on the precise meaning of the proposal) be affected include

- Domestic equipment such as vacuum cleaners needing replacement parts
- Consumer durables such electric tooth-brushes where the brush is worn out and needs replacing
- Replacement face-plates for mobile telephones.

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<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/04/215&format=HTML&aged=0&language=EN&guiLanguage=en>

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Proposals that would affect products such as those should not be adopted without a proper consideration of the effect the proposal would have on the sectors concerned. No such consideration has taken place.

In many ways the most straightforward approach would be simply to introduce a sector-specific solution that applies to the automotive sector alone. However, we do not normally favour sector-specific solutions and we can understand why the Commission should not want to follow that course. On the other hand, given that the proposal is not tied to the automotive sector, the Commission has a clear responsibility to limit its effect to those specific cases that possess the underlying characteristic that leads to the need (as seen by the Commission) for action in that sector. As we shall discuss in the next section, at present the proposal does not do that. Instead it contains an operative clause that, on its natural reading, appears to extend far beyond the class of design the Commission explains as needing the repair clause.

When are parts covered by the proposal?

There is a real difficulty in identifying when a spare part is intended to be covered by the proposal. The exception provided under Article 1 is for component parts used

“for the purpose of the repair of [a] complex product so as to restore its original appearance”.

This phrase could be read as meaning that the primary purpose of the repair is specifically to restore the appearance of the complex product. But the normal purpose of any repair is to restore the product to a functioning whole. Repairs for purely aesthetic reasons are rare in the types of product subject to the Designs Directive. It might apply to the replacement of a dented but functioning body panel of a car, but would not apply to many of the instances cited by the Commission as covered by the proposal. We therefore think it is unlikely that the Commission can have intended that interpretation.

If that interpretation is not correct, the natural reading of the requirement is that it exempts any part that is used for the purpose of repair if the result is that the original appearance of the complex product is restored. Such a reading would mean that any component that was identical in appearance to the original could *ipso facto* always be used for repair purposes.

If a third party can always manufacture a spare provided it looks identical to the original we have clearly moved far beyond the “must match” case which, according to the Commission, is the only subject matter of the proposal². This is not “must match” but “does match”. The element of necessity, which the Commission stresses is an essential part of “must match”,³ is entirely omitted.

The consequence is that, for example, it would be possible to provide a replacement head for an electric toothbrush that looks identical to the original (assuming for the moment that replacing a worn-out head is indeed a repair). Yet there is no necessity at all for the replacement to look identical. Many shapes of head could be designed that would work perfectly satisfactorily and the consumer is in no way deprived of choice if only the original manufacturer can produce heads of the original shape. Indeed, a ready supply of heads from other manufacturers of alternative shape could give the consumer useful choice: they might fit his or her mouth better.

To give another example, if a watch is sold with a strap and a distinctive buckle and the strap breaks, the need is to be able to obtain a strap with a buckle that fastens and there is no “must match” involved. It should not be possible for a third party to copy the buckle under the guise of restoring the original appearance of the whole watch.

² E.g. Explanatory Memorandum, page 3.

³ E.g. “‘must match’ design, which means that replacing parts must be identical to the originals” (Explanatory Memorandum, page 5); “a ‘must match’ spare part by definition cannot be designed any other way” (FAQ, page 1).



We think it is essential that the proposal should be clarified to make it clear that it does not exempt spare parts simply because they look identical to the original.

What we think the Commission must have in mind is that the component is used for repair in order to restore the complex product to a functioning whole, but is subject to a constraint that the original appearance must also be preserved. It is the latter factor that underlies that rationale of the proposal, namely that (in the Commission's view) in those circumstances design protection would be disproportionate. It needs to be captured in the proposal.

A possible amendment might be based on the definition of "must match" spare parts to be found near the start of the FAQ -

"spare parts which must, in order to be of use, exactly match in design the part they are replacing"

What is a "repair"?

The meaning of "repair" is not at all clear. The proposal is directed to the case where an article has been damaged in some way that affects its appearance and it is an essential feature of the repair that it should restore the original appearance. It should be clearly limited to such cases and it should be clarified that replacements for consumables and other worn-out parts are not subject to the proposal.

Similarly it should be clarified that design protection would not be removed when the component part is offered for sale primarily as a replacement item where the replacement is not needed but is at the user's choice - decorative face plates for a mobile telephone would be an example. It needs to be made clear that where the predominant intended use is not for repair then protection is not lost because there might be a subsidiary use for the purpose of replacement of a damaged part.

Status of the proposal as an exception

It is very clear from the explanatory material that the proposal is intended as an exception to protection that would apply in the secondary market (aftermarket) but leave protection available for component parts meeting the usual standards and enforceable in the primary market of the original manufacture of the complex product.

However, the wording of the proposed new Article would be more appropriate to a provision that excluded protection altogether, especially the lead-in words "Protection as a design shall not exist for.." The provision could well be interpreted in different member states or their courts as excluding protection for any component that is replaceable. We can see no reason for the proposal not to use the conventional type of language used for exceptions to intellectual property rights. The parent directive, in Article 13, uses this formulation for its exceptions:

"The rights conferred by a design right upon registration shall not be exercised in respect of ..."

and we can see no reason to use any different formulation for this proposal. Indeed, the failure to use this language suggests that something other than an exception is intended and adds to the uncertainty about the intention of the provision.

At the same time it would be helpful to introduce a recital into the parent directive that confirms that the exception of the new Article 14.1 is without prejudice to the ability to obtain protection for the design in the first place.



Relation to the Designs Regulation

We realise that the current formulation reflects the provision adopted in Article 110.1 of the Designs Regulation. But we do not think that instrument should be regarded as the last word on the topic. Its provision is better regarded as a work in progress and it is explicitly revisable following adoption of a proposal to harmonise under the Designs Directive. While the policy underlying this proposal may be the same as that which governed the Designs Regulation, nonetheless if the language of that instrument can be improved it should be, and that improvement carried back into the Designs Regulation.

4 January 2005



Members of TMPDF at December 2004

Acordis Ltd
Alstom
AstraZeneca plc
Babcock International Ltd
BAE Systems plc
Boots Group PLC
BP p.l.c.
British Telecommunications
plc
British-American Tobacco Co
Ltd
BTG plc
Celltech Therapeutics Ltd
Coats plc
Dow Corning Ltd
Dyson Limited
Eaton BV
ExxonMobil Chemical
Limited
Ford of Europe
Fujitsu Services Limited
G E Healthcare Ltd
GlaxoSmithKline plc
Hewlett-Packard Ltd
IBM UK Ltd
Infineum UK Ltd
Kodak Ltd
Merck Sharp & Dohme Ltd
Nestlé UK Ltd
Nokia UK Limited
Pfizer Ltd
Philips Electronics UK
Limited
Pilkington plc
Procter & Gamble Ltd
Qinetiq Limited
Reckitt Benckiser plc
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Sony UK Ltd
Syngenta Ltd
The BOC Group plc
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