

18 December 2020

***Comments for the European Commission’s Review of the Design Directive and
Community Design Regulation***

Intellectual Property Owners Association (IPO) appreciates the opportunity to provide its views to the European Commission as part of its consultation regarding review of the Design Directive and Community Design Regulation.

IPO is an international trade association representing a “big tent” of diverse companies, law firms, service providers and individuals in all industries and fields of technology that own, or are interested in, intellectual property (IP) rights. IPO membership includes over 125 companies and spans over 30 countries. IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; and disseminating information to the public on the importance of IP rights.

IPO’s mission is to promote high quality and enforceable intellectual property rights and predictable legal systems for all industries and technologies. Our vision is that this will result in the global acceleration of innovation, creativity, and investment necessary to improve lives.

IPO wishes to provide comments on the Registered Community Design (RCD) – an intellectual property right relating to the outer appearance of a product, or a part of a product. The RCD is regulated by Council Regulation No. 6/2002 on Community Designs, dated 12 December 2001 (hereafter “CDR”), and protects the shape, color, patterns, or other features of a product. An RCD provides its owner up to 25 years of exclusivity.

RCDs protecting innovative products are widely used to combat counterfeiting and pirating to protect consumers and retailers from inferior products worldwide. Under Recital 13, and Art. 110(1) of the CDR, however, such protections do not exist for a design that constitutes a component part of a complex product for the purpose of repairing or restoring the original appearance. Article 3(c) of the CDR defines a complex product as “composed of multiple components which can be replaced permitting disassembly and re-assembly of the product.” As a result, Art. 110(1) – often called the “repair clause” – is a defence to infringement and allows replacement part manufacturers and sellers to distribute such parts “for the purpose of repair.”

IPO has a number of concerns about the “repair clause.” First, IPO believes that the right of repair should not authorize infringement of other patent rights and that a patent owner should be able to enforce a patent on a component regardless of the

component's relation to the whole item. Second, the conflict between the original interpretation of Art. 110(1) CDR and its application by the courts has created significant legal uncertainty for industry. More specifically, IPO understands that the application of Art. 110(1) of the CDR was initially not meant to extend to consumables (whose creators rely on RCDs because fast-moving consumer goods and consumables are often at risk of being copied). However, this was not clarified in the CDR or in case law and the recently published “Acacia” decision from the CJEU (C397/16) ignored the long-standing principle that the repair clause should be interpreted narrowly. IPO suggests that this has caused unpredictability in the system.

We again thank the Commission for permitting IPO to provide comments and would welcome any further dialogue or opportunity to provide additional information.