

# No way Round BMW's rights – upgrade is not repair

A High Court decision last month has provided guidance on how Article 110(1) of the Community Designs Regulation 6/2002/EC, which relates to the protection of designs for component parts of complex products, should be construed. The Article sets out that “protection as a Community design shall not exist for a design which constitutes a component part of a complex product used... for the purpose of repair of that complex product so as to restore its original appearance”.

The details of the case were thus: The defendant, Round and Metal Limited (R&M), imported and sold replica alloy wheels, some of which were replicas of wheels designed by the claimant, Bayerische Motoren Werke Aktiengesellschaft (BMW), and for which BMW held a number of Registered Community Designs (RCDs). It was accepted that R&M's replica wheels had essentially the same appearance as the RCDs at issue and therefore that R&M's acts amounted to infringement unless Article 110(1) applied. (The case also involved infringement of BMW's trademarks, but this note is restricted to the RCD aspects.)

In deciding whether Article 110(1) should apply, the Judge addressed four questions:

## **Who has the burden of Proof?**

The first point addressed by the Judge was whether Article 110(1) acts as a limitation on the scope of protection conferred by an RCD (in which case, the claimant must prove that the defendants' acts fall within the scope of protection), or alternatively, whether Article 110(1) operates as a defence in respect of certain acts that would otherwise be an infringement (in which case the defendant must prove that their acts fall within Article 110(1)). On this point, the Judge held that the latter interpretation is correct and thus the

onus lay with R&M to prove that their acts were not infringing acts according to Article 110(1).

**Does Article 110(1) only apply where the design of the component part is dependent on the appearance of the complex product?**

Recital (13) of the Regulation, which explains the reasoning behind Article 110(1), refers to a component part of a complex product upon whose appearance the design is dependent. However, the italicised words do not appear in Article 110(1). BMW argued that these words should be read into Article 110(1). In addressing this argument, the Judge noted that (in accordance with decisions by the CJEU) when construing an Article, the 'context in which [the Article] occurs and the objectives pursued by the rules of which it is part' must be considered. Thus, the Judge decided that the wording of Recital (13) (and also the relevant case law and legislative history, which is nicely summarised in the Judge's decision) must be taken into account and that, in view of each of these, BMW's interpretation was correct.

Following this decision, BMW's RCDs were held not to depend on the overall design of the car, because (amongst other reasons) a range of wheel designs were marketed as being suitable for each of BMW's car designs.

**What is meant by "used for the purpose of repair of that complex product"?**

On this point, the Judge held that Article 110(1) should be read as "normally used for the purpose of repair..." (as opposed to, for example, the purpose of upgrading a car) and does not apply if, for example, only 25% of the replicas are used for repair.

**What is meant by "so as to restore its original appearance"?**

When considering the "original appearance", the Judge held that Article 110(1) refers only to the appearance of the complex product when it was originally sold by the manufacturer (or an authorised dealer).

In relation to the latter two points, the Judge relied on evidence that R&M's replica wheels were mainly bought for the purpose of upgrading cars, and so determined that R&M's replicas were not normally used for the purpose of repairing cars, nor were they typically used to restore cars to their original appearance.

A number of general points have emerged from this case. In particular, for Article 110(1) to apply, the design of the component must be dependent upon the appearance of the complex product. One test for this is whether that component could be replaced with a component having a different design. Furthermore, for the defence of Article 110(1) to

prevail, the component at issue must be 'normally' used for the purpose of repair. Thus, a manufacturer producing replicas of a particular RCD and selling a small minority of those replicas for the purpose of repair, will still infringe the RCD because the main use of the replicas is not for repair.

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