

Designs

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EU design case law – another challenge for the car industry?

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Europe's car industry is facing significant challenges and changes. Besides technical changes – ranging from internal combustion engines to electric vehicles – new and interesting manufacturers keep joining the European car market. Until now, the design of a vehicle's interior and exterior space has been one substantial point for long-established vehicle manufacturers. It is therefore unsurprising that established manufacturers from Japan, the United States and Europe are trying to protect not only their technical inventions with patents, but also their vehicles as a whole (including replacement parts and interiors) from potential copycats.

Design protection

A popular means of avoiding copycats is the application and registration of EU designs, demonstrated by the thousands of design applications each year for accessory parts and vehicles. However, discussions continue as to whether accessory parts are actually protectable by designs.

General requirements for the legal effectiveness of a registered design in the European Union are 'novelty' and 'individual character', compared to the relevant variety of shapes. A design comprises individual character when the overall impression that design makes on the informed user differs from the overall impression another design makes on that same informed user.

An element that is a component of a complex product can also be protected by a registered design. However, for such an element the requirements for protection – novelty and individual character – qualify as met only when the element remains at least partially visible when used as intended and when its visible features meet the requirements for protection (ie, novelty and individual character).

The law explicitly excludes designs which are not visible for 'solely technical' reasons and/or in the usual form of protection. For a lightbulb, the exclusion of protection therefore solely refers to the socket but not to the shape of the luminous body. For such shapes, there is flexibility for designs which allow for the deviation of shapes.

Features of appearance caused by technical functions of products are excluded from design protection – including must-fit features of appearance, which are features of appearance of products that must be inevitably recreated in their exact shape and exact measurements so that assembly with another product is possible.

Protection of accessory parts – distinction between 'must-match' and 'must-fit'

Regarding replacement parts, there is a distinction between so-called 'must-match' and 'must-fit' parts. Must-match is a classification of parts whose shapes are necessary for returning a complex product to its original appearance.



Violation can be affirmed even if the alleged imitation is associated with a completely different product category

For such parts, design law applies. Although compared to must-fit parts, they do not have to match one another in a technically functional way, there are no alternatives for reasons of demand and, since they have been determined as replacement parts for manufacturing, a consistent appearance (eg, bumpers, radiator grills, bonnets and car doors). Must-fit is a classification of parts whose shapes are provided in all elements for technical reasons in order to be incorporated into a complex product. Such parts are fundamentally excluded from design law.

Protection of vehicles as a whole

While it has become almost impossible in the past 10 years to register a three-dimensional (3D) trademark representing a whole car, the protection of the external manifestation by a design has been considered non-critical. While numerous 3D trademark applications have been refused due to lack of distinctiveness, the requirements for registration (ie, novelty and individual character) of a design are fairly simple to meet. Numerous car manufacturers have therefore chosen this route in recent years and registered EU designs.

Another advantage of designs compared to trademarks is that design protection is granted independently of the product. While for trademarks a similarity between the products and/or services is required, which is unnecessary for designs. Therefore, violation can be affirmed even if the alleged imitation is associated with a completely different product category. In general, it is possible to also lodge claims against a manufacturer of toy cars which adopts the design of the original vehicle 1:1. This is what numerous car manufacturers have relied on in the past and have (successfully) taken action against copycats based on their design rights.

Defendants in different cases have pushed back and filed for cancellation actions against the stated design rights. Especially the subsequent decision in which the General Court ordered the cancellation of a design belonging to Porsche and the maintenance of several designs belonging to Volkswagen (VW) caused quite a commotion in the media and was often inadequately presented.

Porsche (T-209/18)

A cancellation action was filed with the EUIPO by the Nuremberg model construction company Autec, against two designs of the 911 Series by car manufacturer Porsche. Autec essentially argued that the contested designs lacked both novelty and individual character, which would eventually prevent them from being capable of protection. Autec claimed that the design and layout of the newer model would not visibly differ from the Porsche 911 models which have been on the market since the original version in 1963. In particular, Autec referred to two designs already protected in 1996.

The EUIPO's Cancellation Division upheld Autec's application and declared the contested designs invalid due to lack of individuality. The subsequent appeal filed by Porsche in 2016 was dismissed by the EUIPO's Board of Appeal.

In the present proceedings before the General Court, Porsche sought annulment of the contested decision and dismissal of Autec's application for annulment.

Decision

The General Court confirmed the Board of Appeal's decision in almost all regards and, in particular, denied the necessary individual character of the later 911 model. Contrary to Porsche's view, it did not find that the Board of Appeal had infringed Article 25 (1 lit b) in

conjunction with Articles 5 and 6 of Regulation 6/2002 (according to which a design may only be declared null and void under the listed criteria). In its reasoning, the General Court first defined the standard of the ‘informed user’, which is important for an assessment of the ‘individual character’ of a design. After Porsche claimed in the main proceedings that the informed user pays a higher degree of attention in the area of “expensive luxury limousines or sports cars” and was therefore more likely to perceive minor changes in a design, the General Court countered this view by highlighting that the term refers to a fictitious person and cannot be redefined on a case-by-case basis for this or that design.

Moreover, the General Court did not share Porsche’s view that the iconic character of the 911 Series restricts the developers’ freedom of design from the outset. The General Court reasoned that: “the self-imposed obligation of satisfying the expectations and desires of the consumers concerned cannot be considered as a factor limiting the freedom of the designer since this freedom allows the designer to discover new shapes and new lines or to create something novel with individual character within an already existing tendency [...] Under these circumstances the Board of Appeal has rightfully decided that potential expectations of the market are not to be considered in order to determine the extent of freedom of design in the present case.”

Finally, the General Court concluded that the designs to be compared were so similar that the renewed elements were insufficient to cause a different overall impression in the perception of the informed user. The jury of the “red dot award: product design 2012” emphasised that the shape of the contested design was entirely new or that the proportions have been substantially changed is not successfully enforced in order to significantly influence the assessment of individual character of the design.

Comment and assessment

Ultimately, arguments for and against cancellation can be found in the *Porsche* case. The objective assessment of the present or absent assessment of individual character is also ultimately subjective. It is not *per*



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se about the end of designs protection for car models. What is essential is that the protection by designs for car models remains possible and recommendable. No other law of protection is as appropriate at affectively protecting the external manifestation of a vehicle as well as its component parts. The applicants must pay attention to the already existing variety of shapes so that their new design applications do not lose the required individual character due to already registered, highly similar designs. Ultimately, a key motivation for the designers in the company is



Rietze argued that the informed user would pay less attention to the differences between the successive models of a car from the same manufacturer than to those between the models of cars of different manufacturers

to further distinguish subsequent models from their predecessors.

However, Porsche is not defenceless, as in a case of doubt it could always invoke its oldest protection right from 1996. If the new design does not comprise individual character when compared to the design that is already protected, in an infringement suit the copycat (in this case, the toy manufacturer Autec) cannot claim that a similarity between its product – which shows the current model – and the effectively registered design of 1996 is missing. Ultimately, in the infringement suit the question of individual character is not to be assessed differently from the assessment of the present cancellation proceedings.

The following case regarding the well-known VW bus demonstrates that the question of assessment of individual character is always decided differently.

VW decisions (T-43/18, T-191/18 and T-192/18)

Background

Rietze, a German toy-car manufacturer, attacked VW's RCDs covering models of the VW Bus, VW Caddy Maxi and VW Caddy based on earlier models in the same series. As in the comparable proceedings in *Porsche v Autotec* concerning the Porsche 911, the proceedings dealt with the question of whether the older designs of the car models prevent a newer design protection from being granted for the existing car models. Toy manufacturer Rietze had applied for the annulment of three designs and argued that the contested designs were not new within the meaning of Article 5 of Regulation 6/2002 and had no individual character within the meaning of Article 6. The

VW Bus case concerned a new model and the old model.

Its invalidity actions were rejected by the EUIPO Board of Appeal. Before the General Court, Rietze argued that the informed user would pay less attention to the differences between the successive models of a car from the same manufacturer than to those between the models of cars of different manufacturers.

Decision

The General Court rejected that plea because Rietze provided no factual or legal basis for its statement. In addition, the General Court made another important statement and ruled that:

the argument according to which the Board of Appeal would have had to differentiate between aesthetic and technical features cannot be accepted. For one, it is to be determined that the claimant cannot raise an actual or legal fact that supports her claim according to which air inlets, bumpers and headlights only have a secondary meaning to the informed user in his overall view due to their mainly technical functions. Secondly, even if air inlets, bumpers and headlights only have technical functions, their features are not purely functional and their appearance can be changed so that possible differences in their shapes and assembly may influence the overall impression the product in which they are integrated causes (in this regard, see decision of July 04, 2017 Electronic Watch Strap, T 90/16, not published, EU:T:2017:464, marginal note 61).

Comment and assessment

Ultimately, both arguments for and against affirmation of individual character can be

found in the present case. However, there is nothing harmful in applying for a design for newer models and facelifts. Applicants would perhaps do well to register additional individual views which clearly highlight the changes made.

Summary and pleadings for design protection

The differences detected by the court between the optical designs of the present VW models only become visible when examined more closely. For the present, Porsche models require an even closer examination in order to recognise the differences. Apart from results not necessarily expected in the design, the decisions formulate generally valid principles for the assessment of protectability of designs in the car industry which also seem to be applicable to other industry sectors, especially since the key question is always the same, namely: does the design cause the same or a different overall impression on the informed user compared to the previously published variety of shapes? Only when this question can be answered positively is the design patentable.

The informed user plays a key role. According to the court the individual character of a design arises from an overall impression of dissimilarity or no sense of *déjà vu* from the informed user's viewpoint compared to the already existing variety of shapes, regardless of the differences which – even if exceeding insignificant details – are not prominent enough to compromise the overall impression but by taking the differences which are sufficiently pronounced to make a dissimilar overall impression into consideration, including considering the technical freedom of the designer's design (in respect of cars this refers to requirements for

headlights, indicators and rear lights, among other things).

The informed user is a person who knows of various designs in the industrial sector concerned, uses the corresponding products with relatively close attention but is, however, not a developer or technical expert. The usual minor model updates of vehicle models – and continuous design modernisation – are known to the informed user who is able to compare them to a simple facelift where only small details are changed, so that such a facelift normally causes only a simple – but not patentable – *déjà vu* effect.

The above-stated cases have been chosen from the car industry purely by chance. Any product registered by the applicant as an updated design could have been described. The application and registration of designs therefore remains a means for effectively protecting the design of replacement parts, interiors and the vehicle itself. Car manufacturers have only to pay attention that their new models need to comprise enough distance between the already registered designs so that the new version comprises individual character. The VW Bus decision demonstrates that this distance does not always have to be particularly broad. **WTR**



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