

IP Report

Trademark and Design Law



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Court of Justice of the European Union: Use of trademarks on replacement parts for automobiles as trademark infringement – design law does not authorise trademark infringement (order of October 6, 2015 – Case C-500/14 – Ford Motor Co. v Wheeltrims srl)

Reported by Prof. Dr. Alexander von Mühlen Dahl

Wheeltrims is selling wheel caps („trims“) duplicating the original caps, applying on some of them the trademark of the original manufacturer. Ford Motor Co. brought a trademark infringement action in Italy against Wheeltrims, which raised the “repair clause” existing in Community design law as a defense.

Under that clause (Article 110 Regulation [EC] No 6/2002 = Community Designs Regulation) as also implemented in national Italian design law according to the “freeze-plus” solution provided under Article 14 of Directive 98/71 (= Designs Directive), design law does not prevent the use of a product protected by a design right for the purpose of the repair of a complex product so as to restore its original appearance. As some courts in Italy had considered the “repair clause” defense as permitting the use of the original manufacturer’s trademark, the first instance court in Torino decided to refer the following questions to the Court of Justice:

Is it compatible with [EU] law to interpret Article 14 of Directive 98/71 and Article 110 of Regulation (EC) No 6/2002 as conferring on producers of replacement parts and accessories the right to use trade marks registered by third parties in order to allow the end purchaser to restore the original appearance of a complex product and, therefore, also when the proprietor of the trade mark applies the distinctive sign in question to a replacement part or accessory intended to be mounted on the complex product in such a way that it is externally visible and

thus contributes to the external appearance of the complex product?

Is the repair clause set out in Article 14 of Directive 98/71 and Article 110 of Regulation (EC) No 6/2002 to be interpreted as constituting a subjective right for third-party producers of replacement parts and accessories and, if so, does that subjective right include the right for such third parties to use the trade mark registered by another party in respect of replacement parts and accessories, by way of derogation from the rules laid down in Regulation No 207/2009 and Directive (EEC) 89/104 and, therefore, when the proprietor of the trade mark also applies the distinctive sign in question to a replacement part or accessory intended to be mounted on the complex product in such a way that it is externally visible and thus contributes to the external appearance of the complex product?

The Court of Justice answered the question, by Order rather than by Judgment, *i.e.*, without oral hearing and without Opinion by an Advocate General, as follows (our translation; there is as yet no English version of the decision available):

Article 14 of Directive 98/71/EG and Article 110 of Regulation (EC) No 6/2002 must be interpreted as meaning that they do not authorise, by way of derogation from the provisions of Directive 2008/95/EC (= Trade-marks Directive) and of Regulation (EC) No 207/2009 (= Community Trademarks Regulation), the producer of vehicle replacement parts and accessories such as wheel caps to apply on his goods a sign which is



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identical with a trademark registered by a vehicle manufacture, inter alia, for such goods without the latter's authorisation, with the argument that the use of the mark thus made is the only possibility to repair the respective vehicle and restore a complex product's original appearance.

Remarks

It took the Court less than a year to decide the case, which had arrived in Luxembourg in November 2014. The decision was by Order, rather than by Judgment, which is authorised under Article 99 of the Court's Rules of Procedure inter alia „where the answer to the question referred (...) admits of no reasonable doubt“. This procedure requires a corresponding proposal from the Rapporteur and a hearing of the Advocate General. In the present case the Rapporteur was Judge Ilesič, the President of the Court's Third Chamber, who has been a Judge at the Court since 2004 and has been Rapporteur in most of the Court's landmark trademark cases in recent years.

The referring court considered that under trademark law the use of the original manufacturer's trademark for wheel caps (trims) was not authorised, as the use did not fall within the exceptions or limitations provided for in trademark law (Article 6 [1] Trademarks Directive and Article 12 lit c Community Trademarks Regulation). Nevertheless, in view of decisions of Italian courts which had applied, by analogy, the "repair clause" exception of design law also to alleged trademark infringements when replacement parts and accessories were the subject of litigation, the Court of Justice was asked to provide an answer to the difficulties which confronted the Italian court. The Court of Justice saw no such difficulties,

and gave a simple and straightforward answer: Trademark exceptions must be judged under trademark law, and trademark law only; repair of a vehicle does not authorise the use of the original manufacturer's trademarks on the replacement part of accessory even if the part is meant to restore the original appearance of the complex product. The answer of the Court is broad enough to apply to any and all replacement or spare part situations where design infringement could be claimed. The alleged infringer will have to bring himself as falling within the trademark limitations if he wishes to use the trademarks of the original manufacturer. These limitations require that the use of the mark is necessary and not unfair under the circumstances. This was denied by the referring court in the present case.

In the case referred apparently no design infringement was involved. If this had been a design infringement case, the question would have to be answered whether a wheel cap or trim actually is a replacement part for which the repair clause could be invoked. There appears to be almost uniform case law in Europe that such products, the same as the wheels themselves, do not belong to the category of products for which the repair clause is even applicable.