



Reports of Cases

OPINION OF ADVOCATE GENERAL
SAUGMANDSGAARD ØE
delivered on 28 September 2017¹

Joined Cases C-397/16 and C-435/16

Acacia Srl

v

Pneusgarda Srl (in bankruptcy)

Audi AG

(Request for a preliminary ruling from the Corte d'appello di Milano (Court of appeal, Milan) (Italy))

and

Acacia Srl

Rolando D'Amato

v

Dr. Ing. h.c. F. Porsche AG

(Request for a preliminary ruling from the Bundesgerichtshof (Federal Court of Justice) (Germany))

(Reference for a preliminary ruling — Regulation (EC) No 6/2002 — Community designs — Article 110(1) — Exception from protection — Authorised use — Replacement part — Car wheel rim — Concept of a 'component part of a complex product' — Absence of any requirement for the shape of the part to be determined by the appearance of the complex product — Extensive liberalisation of the market for replacement parts — Requirement relating to use for the purpose of the repair of the complex product so as to restore its original appearance — Precautionary measures to be taken by a manufacturer or supplier who is not the design holder — Duty of diligence as regards compliance with conditions of use by downstream users)

I. Introduction

1. The Corte d'appello di Milano (Court of Appeal, Milan, Italy) and the Bundesgerichtshof (Federal Court of Justice, Germany) have requested the Court to give a preliminary ruling on the interpretation of Article 110(1) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs.²

2. Their requests were submitted in proceedings between (i) Acacia Srl, on the one hand, and Pneusgarda Srl (in bankruptcy) and Audi AG, on the other, and (ii) Acacia and Mr Roland d'Amato, on the one hand, and Dr. Ing. h.c. F. Porsche AG ('Porsche'), on the other, concerning the manufacturing and sale by Acacia of wheel rims reproducing Community designs of which Audi and Porsche are the holders.

¹ Original language: French.

² OJ 2002 L 3, p. 1.

3. The questions referred by the national courts seek to ascertain whether, in the context of the main proceedings, Acacia may rely on the repair clause laid down in Article 110(1) of Regulation No 6/2002. That clause provides for replacement parts to benefit from an exception from protection as a Community design where they are used for the purpose of the repair of a complex product so as to restore its original appearance.

4. In essence, I propose that the Court answer those questions as follows. First, the wheel rims manufactured by Acacia fall within the scope of the repair clause if they are used for the purpose of repairing the car in order to restore its original appearance. Secondly, a manufacturer or supplier of wheel rims, such as Acacia, may rely on that clause if that manufacturer or supplier fulfils a duty of diligence as regards compliance with the aforementioned conditions of use by downstream users.

II. Legal context

A. Regulation No 6/2002

5. Recital 13 of Regulation No 6/2002, which refers to repair clauses contained, respectively, in that regulation and in Directive 98/71/EC,³ states:

‘Full-scale approximation of the laws of the Member States on the use of protected designs for the purpose of permitting the repair of a complex product so as to restore its original appearance, where the design is applied to or incorporated in a product which constitutes a component part of a complex product upon whose appearance the protected design is dependent, could not be achieved through Directive [98/71]. Within the framework of the conciliation procedure on the said Directive, the [European] Commission undertook to review the consequences of the provisions of that Directive three years after the deadline for transposition of the Directive in particular for the industrial sectors which are most affected. Under these circumstances, it is appropriate not to confer any protection as a Community design for a design which is applied to or incorporated in a product which constitutes a component part of a complex product upon whose appearance the design is dependent and which is used for the purpose of the repair of a complex product so as to restore its original appearance, until the Council [of the European Union] has decided its policy on this issue on the basis of a Commission proposal.’

6. Article 3 of that regulation contains the following definitions:

‘...’

- (a) “design” means the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation;
- (b) “product” means any industrial or handicraft item, including inter alia parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs;
- (c) “complex product” means a product which is composed of multiple components which can be replaced permitting disassembly and re-assembly of the product.’

³ Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (OJ 1998 L 289, p. 28).

7. Article 4 of Regulation No 6/2002, entitled ‘Requirements for protection’, provides:

‘1. A design shall be protected by a Community design to the extent that it is new and has individual character.

2. A design applied to or incorporated in a product which constitutes a component part of a complex product shall only be considered to be new and to have individual character:

(a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter; and

(b) to the extent that those visible features of the component part fulfil in themselves the requirements as to novelty and individual character.

3. “Normal use” within the meaning of paragraph (2)(a) shall mean use by the end user, excluding maintenance, servicing or repair work.’

8. Article 19(1) of that regulation, entitled ‘Rights conferred by the Community design’ is worded as follows:

‘A registered Community design shall confer on its holder the exclusive right to use it and to prevent any third party not having his consent from using it. The aforementioned use shall cover, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes.’

9. Article 21 of that regulation, entitled ‘Exhaustion of rights’, provides:

‘The rights conferred by a Community design shall not extend to acts relating to a product in which a design included within the scope of protection of the Community design is incorporated or to which it is applied, when the product has been put on the market in the Community by the holder of the Community design or with his consent.’

10. Article 110 of Regulation No 6/2002, entitled ‘Transitional provision’ provides:

‘1. Until such time as amendments to this Regulation enter into force on a proposal from the Commission on this subject, protection as a Community design shall not exist for a design which constitutes a component part of a complex product used within the meaning of Article 19(1) for the purpose of the repair of that complex product so as to restore its original appearance.

2. The proposal from the Commission referred to in paragraph 1 shall be submitted together with, and take into consideration, any changes which the Commission shall propose on the same subject pursuant to Article 18 of Directive [98/71].’

B. Italian law

11. Article 241 of Decreto legislativo, n. 30, Codice della proprietà industriale (Legislative Decree No 30 concerning the Intellectual Property Code) of 10 February 2005 (GURI No 52 of 4 March 2005) as amended by Decreto legislativo, n. 131 (Legislative Decree No 131) of 13 August 2010 (GURI No 192 of 18 August 2010), entitled ‘Exclusive rights in respect of component parts of a complex product’, provides:

‘Until Directive [98/71] is amended on a proposal by the Commission as provided for in Article 18 of that directive, the exclusive rights in respect of component parts of a complex product may not be relied upon in order to hinder the manufacture and sale of such component parts for the purpose of the repair of the complex product so as to restore its original appearance.’

III. The disputes in the main proceedings and the questions referred for a preliminary ruling

A. Case C-397/16

12. Audi is the holder of a number of Community designs of aluminium alloy wheel rims.

13. Audi considers that certain models of replica alloy wheel rims branded ‘WSP Italy’, manufactured by Acacia and sold by the independent reseller Pneusgarda Srl (in bankruptcy) (‘Pneusgarda’) infringe Community designs of which Audi is the holder. Audi therefore brought proceedings against Acacia and Pneusgarda before the Tribunale di Milano (District Court, Milan, Italy) seeking to establish the infringement alleged against Acacia and Pneusgarda, which, respectively, manufacture and sell the goods in question, and obtain an injunction against them. In the course of those proceedings Pneusgarda was declared bankrupt.

14. By judgment No 2271/2015 of 27 November 2014, that court granted Audi’s application, finding that Acacia’s commercial activities, consisting of the import, export, manufacture, sale and advertising of replica wheel rims, infringed the six Community designs in respect of which Audi had sought protection.

15. Acacia brought an appeal before that judgment before the referring court, claiming that the wheel rims it manufactures fall within the scope of the repair clause laid down in Article 110(1) of Regulation No 6/2002.

16. The referring court notes that the decision to be taken in the dispute in the main proceedings depends on the interpretation of Article 110(1) of Regulation No 6/2002. It states that, in its view, the wheel rims at issue fall within the scope of the repair clause laid down in that provision.

17. It was in those circumstances that the Corte d’appello di Milano (Court of Appeal, Milan) decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

‘(1) Do [i] the principles of the free movement of goods and of the freedom to provide services within the internal market, [ii] the principle of the effectiveness of EU competition law and of the liberalisation of the internal market, [iii] the principles of *effet utile* and of the uniform application within the European Union of EU law and [iv] the provisions of secondary EU law, such as Directive 98/71, and in particular Article 14 thereof, Article 1 of [Commission Regulation (EU) No 461/2010 of 27 May 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector (OJ 2010 L 129, p. 52)] and Regulation [No 124 of the Economic Commission for Europe of the United Nations (UN/ECE) concerning the approval of wheels for

passenger cars and their trailers], preclude an interpretation of Article 110 of Regulation No 6/2002, which contains the repair clause, that excludes replica wheels aesthetically identical to original equipment wheels and approved on the basis of UNECE Regulation No 124 from the definition of a ‘component part of a complex product’ (that complex product being a motor vehicle) for the purpose of the repair of that complex product and the restoration of its original appearance?

- (2) In the event that the first question is answered in the negative, do the rules on exclusive industrial rights in respect of registered designs, regard being had to the balancing of the interests referred to in the first question, preclude the application of the repair clause to replica complementary products that may be selected freely by the customer, on the basis that the repair clause is to be interpreted restrictively and may be relied upon only with respect to spare parts that come in one particular form only, that is to say, component parts the form of which has been determined in practically immutable fashion with respect to the external appearance of the complex product, to the exclusion of component parts that may be regarded as interchangeable and that may be applied freely, in accordance with the customer wishes?
- (3) In the event that the second question is answered in the negative, what steps must a manufacturer of replica wheels take in order to ensure the free movement of products the intended use of which is the repair of a complex product and the restoration of its original appearance?

B. Case C-435/16

18. Porsche is the holder of a number of Community designs representing wheels for vehicles.

19. Acacia, whose managing director Ronaldo D’Amato is also a defendant in the main proceedings, makes wheel rims for passenger cars manufactured by various car manufacturers. Its range of products includes the light alloy wheel rims ‘W1050 Philadelphia’, ‘W1051 Tornado Silver’, ‘W1054 Saturn’ and ‘W1053 Helios Silver’, which reproduce Community designs of which Porsche is the holder. Acacia’s trade mark ‘WSP Italy’ and the phrase ‘Not O.E.M’ are affixed to the wheel rims manufactured by Acacia.

20. Acacia sells its light alloy wheel rims on its website ‘www.wspitaly.com’ which, in Germany, is accessible in German. On that website, which is aimed at end users, wheel rims can be purchased either individually or in larger numbers. The website also states, in English, that the wheel rims are replica replacement wheels or pattern part replacement wheels which are fully compatible with the vehicles indicated and are intended to be used exclusively for the repair of those vehicles in order to restore their original appearance. Acacia states that the light alloy wheel rims for Porsche vehicles are replacement wheel rims which can be used only on Porsche vehicles.

21. Considering that the light alloy wheel rims ‘W1050 Philadelphia’, ‘W1051 Tornado Silver’, ‘W1054 Saturn’ and ‘W1053 Helios Silver’ infringe the Community designs of which it is the holder, Porsche brought an action before the Landgericht (Regional Court, Germany) seeking, in particular, to prohibit Acacia from manufacturing and selling the wheel rims in dispute.

22. Acacia and its managing director claimed that the wheel rims in dispute are replacement parts used for the repair of damaged Porsche vehicles, with the result that, in accordance with Article 110(1) of Regulation No 6/2002, they are excluded from the scope of the protection conferred by the designs of which Porsche is the holder.

23. The Landgericht (Regional Court) held that the action brought by Porsche was well founded. After the appeal brought by Acacia and its managing director was dismissed, the appeal court granted them leave to appeal on a point of law (*Revision*) before the referring court.

24. The referring court notes that the outcome of the appeal brought by Acacia and its managing director depends on the interpretation of Article 110(1) of Regulation No 6/2002. It states in that regard that, in its view, component parts which are not fixed-shape parts, such as the wheel rims at issue in the present dispute, do not fall within the scope of the repair clause laid down in that provision.

25. It was in those circumstances that the Bundesgerichtshof (Federal Court of Justice, Germany) decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

‘(1) Is the application of the bar to protection as provided for in Article 110(1) of Regulation (EC) No 6/2002 limited to fixed shape parts, namely those parts whose shape is in principle immutably determined by the appearance of the product as a whole and cannot therefore be freely selected by the customer, such as rims for motor vehicles?

(2) If Question 1 is answered in the negative:

Is the application of the bar to protection as provided for in Article 110(1) of Regulation (EC) No 6/2002 limited only to the supply of products of an identical design, which thus correspond also in colour and size to the original products?

(3) If Question 1 is answered in the negative:

Does the bar to protection as provided for in Article 110(1) of Regulation (EC) No 6/2002 apply in favour of the supplier of a product that fundamentally infringes the design at issue only if this supplier objectively ensures that his product can be purchased exclusively for repair purposes and not for other purposes as well, such as the upgrading or customisation of the product as a whole?

(4) If Question 3 is answered in the affirmative:

Which measures must the supplier of a product that fundamentally infringes the design at issue take in order to objectively ensure that his product can be purchased exclusively for repair purposes and not for other purposes as well, such as the upgrading or customisation of the product as a whole? Is it enough:

- (a) that the supplier includes a note in the sales brochure to the effect that any sale takes place exclusively for repair purposes so as to restore the original appearance of the product as a whole; or
- (b) is it necessary that the supplier make delivery conditional on the customer (traders and consumers) declaring in writing that the product supplied is to be used for repair purposes only?’

IV. The procedure before the Court

26. The requests for a preliminary ruling were registered at the Registry of the Court of Justice on 18 July 2016 (Case C-397/16) and 4 August 2016 (Case C-435/16).

27. In Case C-397/16, written observations were submitted by Acacia, Audi, the Italian, German and Netherlands Governments and the European Commission.

28. In Case C-435/16, written observations were submitted by Acacia and Ronaldo d’Amato, Audi, the Italian, German and Netherlands Governments and the European Commission.

29. By order of the President of the Court of 25 April 2017, those two cases were joined for the purposes of the oral procedure and the judgment.

30. Acacia and Ronaldo d'Amato, Audi, Porsche the German and Italian Governments and the European Commission attended the hearing of 14 June 2017 in order to present oral argument.

V. Analysis

31. The present cases concern the repair clause laid down in Article 110(1) of Regulation No 6/2002 for replacement parts used for the repair of a complex product. As I shall explain, that exception from protection as a Community design was discussed at length during the legislative procedure which preceded the adoption of that regulation.

32. In order to facilitate an understanding of the issue in the present case, I shall begin by explaining the rationale behind that repair clause, the aim of which is the extensive liberalisation of the market in replacement parts (section A).

33. The second question in Case C-397/16 and the first question in Case C-435/16 seek to establish whether the scope of the exception provided for in Article 110(1) of Regulation No 6/2002 is limited to component parts whose shape is determined by the appearance of the complex product. I propose that the Court answer those questions in the negative since it was necessary to remove that requirement in order for the Council to reach a political agreement on the adoption of that regulation (section B).

34. The second question in Case C-435/16 seeks to establish whether the scope of Article 110(1) of Regulation No 6/2002 is limited to parts which are identical to the original parts, particularly in terms of their colour and size. I propose that the Court answer that question in the affirmative. I shall also examine, in that context, the requirement relating to the presence of a 'component part of a complex product' and the requirement concerning use for the purpose of repairing the complex product (section C).

35. The third question in Case C-397/16 and the third and fourth questions in Case C-435/16 relate to the precautionary measures to be taken by a manufacturer or supplier of component parts who wishes to rely on Article 110(1) of Regulation No 6/2002.

36. In that regard, I propose that the Court should answer those questions to the effect that, in order to rely on that exception, manufacturers or suppliers of component parts of complex products must fulfil a duty of diligence as regards compliance by downstream users with the conditions of use laid down in Article 110(1) of Regulation No 6/2002. That duty of diligence implies, on the one hand, that the manufacturer or supplier must inform the customer that the component part concerned incorporates a design of which the manufacturer or supplier is not the holder and that the part is intended exclusively to be used in accordance with the conditions set out in that provision and, on the other hand, that the manufacturer or supplier would no longer be entitled to rely on that article if he knew, or had reasonable grounds to know, that the part in question would not be used in accordance with those conditions (section D).

37. I would point out that the responses provided make it possible to answer the first question raised in Case C-397/16 to the effect that a car wheel rim must be considered to be a ‘component part of a complex product’ within the meaning of Article 110(1) of Regulation No 6/2002⁴ and that it may benefit from the exception provided for in that provision if it is used for the purpose of the repair of the complex product so as to restore its original appearance.⁵ I would add that it is not necessary, for the purposes of answering that question, to examine the other principles and provisions mentioned therein, as was rightly stated by the German Government and the Commission.

A. The rationale behind the repair clause laid down in Article 110(1) of Regulation No 6/2002

38. As noted by the Commission, it is clear from the explanatory memorandum in the proposal for a regulation that the purpose of the repair clause is to avoid providing rightholders with monopolies in respect of component parts of complex products:

‘The purpose of this provision is to avoid the creation of captive markets in certain spare parts. ...

... The consumer, having bought a long lasting and perhaps expensive product (for example a car) would, for external parts, indefinitely be tied to the manufacturer of the complex product. This could eventually create unhealthy conditions in the market place as regards competition in parts, but also, in practice, could provide the manufacturer of the complex product with a monopoly lasting longer than the protection of his design ...’⁶

39. For a clear understanding of the specific case considered in the proposal for a regulation, I think it useful to describe the effects of protection as a Community design at the point when a car is designed, when that car is sold and when a component part of it is replaced.

40. First, let us suppose that a car manufacturer develops a car design which is new and has individual character within the meaning of Article 4(1) of Regulation No 6/2002. On that basis, that manufacturer applies for and obtains protection as a Community design for the car, which is a complex product within the meaning of Article 3(c) of that regulation. He also obtains that protection for a number of the component parts incorporated into the car, pursuant to Article 4(2) of that regulation, such as the bumper, the wings, the doors, the headlights or the wheel rims.

41. As the holder of those Community designs, under Article 19 of that regulation, the car manufacturer has the exclusive right to use them and to prevent any third party not having his consent from using them. In other words, that manufacturer has a monopoly on the use of those designs, which enables him to prevent third parties from manufacturing or selling a car or car parts using those designs.

⁴ See points 92 and 93 of this Opinion.

⁵ See points 97 to 110 of this Opinion.

⁶ Proposal for a European Parliament and Council Regulation on the Community Design (COM(93) 342 final, pp. 24 and 25).

42. However, and in the second place, the rule on the exhaustion of rights, provided for in Article 21 of Regulation No 6/2002, limits that monopoly to the first placing on the market of the products in question.⁷ According to that provision, the rights of the design holder do not extend to acts relating to a product when that has been put on the market by the holder or with his consent. Accordingly, with each sale of a car, the rights of the car manufacturer are exhausted not only in respect of the car sold, considered as a complex product, but also in respect of each component part of that car protected by a Community design.

43. In the third place, it is possible that one of the component parts incorporated into the car sold by the car manufacturer, such as the bumper, the wings, the doors, the headlights or the wheel rims, could develop a fault and need to be replaced.

44. Pursuant to Articles 19 and 21 of Regulation No 6/2002, a car manufacturer has a monopoly, which is limited to the first placing on the market of the products in question, on the use of all replacement parts incorporating a design of which he is the holder. Accordingly, those provisions confer on the manufacturer the right to prevent the manufacture or sale of such parts without his consent for the entire period of use of the complex product (in this case, the car).

45. It is precisely that monopoly, namely, the design holder's monopoly in respect of replacement parts of a complex product, that the repair clause laid down in Article 110(1) of Regulation No 6/2002 seeks to eliminate in certain circumstances. That clause provides that the holder's rights are not to extend to component parts used for the purpose of the repair of that complex product so as to restore its original appearance.

46. I should state at this point that the aim of the repair clause, in the version currently in force, is, in my view, the *extensive liberalisation* of the market in replacement parts, unlike the version initially proposed by the Commission, the aim of which was the *limited liberalisation* of that market.⁸ Indeed, initially, the scope of application of the repair clause was limited to component parts whose shape was determined by the appearance of the complex product, such as car headlights. Therefore, design holders retained their monopoly in respect of component parts whose shape was not determined by the appearance of the complex product, such as the wheel rims.

47. However, it was necessary to remove that condition to enable the adoption of Regulation No 6/2002 by the Council, as I shall explain in the next section. Accordingly, the final version of the repair clause covers *all* replacement parts, with no restrictions as to their shape.

B. Absence of any requirement for the shape of the part to be determined by the appearance of the complex product (the second question in Case C-397/16 and the first question in Case C-435/16).

48. Audi, Porsche and the German Government submit that the repair clause laid down in Article 110(1) of Regulation No 6/2002 must be interpreted to the effect that it applies only to component parts of a complex product 'upon whose appearance the protected design is dependent' or, in other words, to component parts whose shape is determined by the appearance of the complex product.

⁷ The principle of the exhaustion of the exclusive rights of the holder is also one of the tenets of patent, copyright and trade mark protection. See inter alia Article 29 of the Agreement on a Unified Patent Court (OJ 2013 C 175, p. 1); Article 4(2) of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (OJ 2001 L 167, p. 10), and Article 15 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).

⁸ See points 71 to 78 of this Opinion.

49. That line of argument serves the interests of the holders of wheel rim designs, such as Audi and Porsche, for the following reason. As set out by Audi and Porsche in great detail, the shape of wheel rims is not dependent on the appearance of the vehicle. In other words, for all vehicles, there are various models of wheel rim. Therefore, that interpretation excludes wheel rims from the scope of Article 110(1) of Regulation No 6/2002, and this allows Audi and Porsche to retain their monopoly on replacement wheel rims incorporating the designs of which they are the holders.

50. I would point out that Porsche has referred to a number of national court decisions which confirm that interpretation,⁹ whereas Acacia has cited other national court decisions which undermine it.¹⁰ I would also note that the referring courts in the present cases have diverging views on this subject.¹¹

51. I consider that the arguments put forward by Audi and Porsche should be rejected on the following grounds.

52. First, such a requirement, according to which the part in question must be part of a complex product upon whose appearance the protected design is dependent, is absent from Article 110(1) of Regulation No 6/2002. That absence, in itself, indicates that the approach proposed by Audi, Porsche and the German Government should be rejected.

53. Secondly, it is not possible to endorse that approach since the removal of that requirement, which was included in the Commission's initial proposal, was necessary in order for the Council to reach a political agreement on the adoption of that regulation, as has been demonstrated by the Commission. Given the central importance of that fact in the interpretation I am proposing, I would like to look in detail at how that provision has evolved during the legislative process.

54. On 3 December 1993, the Commission presented simultaneously a proposal for a regulation¹² and a proposal for a directive on protection as a Community design.¹³ The purpose of the proposal for a regulation was to create a Community protection system for designs. The purpose of the proposal for a directive was to approximate the laws of the Member States on the protection of designs in order to reduce the obstacles to the free movement of goods.

⁹ According to Porsche, the following decisions excluded car wheel rims from the scope of the repair clause: judgment of the Tribunal de Commerce de Bruxelles (Brussels Commercial Court, Belgium), No A/12/05787 of 16 February 2015; judgement of the Højesteret (Supreme Court, Denmark), No 17/2010 of 10 March 2015; Landgericht Hamburg (Regional Court, Hamburg, Germany), GRUR-RS 2015, p. 16872; Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany), GRUR-RR 2016, p. 228; Audiencia Provincial de Alicante (Provincial Court, Alicante, Spain), judgment No 437/10 of 18 June 2010; Tribunale di Bologna (District Court, Bologna, Italy), judgment No 4306/2011 of 17 December 2013; Tribunale di Milano (District Court, Milan, Italy), judgment No 3801/2013 of 27 November 2014; Court of Helsinki, Finland, judgment No 15/149362, 19 November 2015, case file No R14/5257; Svea Hovrätt (Court of Appeal, Svea, Sweden), judgment of 29 January 2016, case file No Ö 8596-17.

¹⁰ According to Acacia, the following decisions included car wheel rims within the scope of application of the repair clause: Tribunale di Napoli (District Court, Naples, Italy), 11 November 2009, RG 35034/079; Tribunale della Spezia (District Court, La Spezia), 21 September 2010, No 66/10/18; Tribunale della Spezia (District Court, La Spezia), 29 September 2010, Proc. 75/2010 Mod. 18; Tribunale di Napoli (District Court, Naples), 11 February 2011, No 5001/2011; Tribunale di Milano (District Court, Milan), 11 June 2012, RG 24209/12; Tribunale di Milano (District Court, Milan), 11 October 2012, RG 46317/12; Corte d'appello di Napoli (Court of Appeal, Naples, Italy), 25 September 2013, No 3678/2013.

¹¹ See points 16 and 24 of this Opinion.

¹² Proposal for a European Parliament and Council Regulation on the Community Design (OJ 1994 C 29, p. 20).

¹³ Proposal for a European Parliament and Council Directive on the legal protection of designs (OJ 1993 C 345, p. 14).

55. Article 23 of the proposal for a regulation contained a repair clause the scope of which was limited to component parts forming part of a complex product ‘upon whose appearance the protected design is dependent’.¹⁴ Article 14 of the proposal for a directive contained a repair clause using almost identical wording.

56. After several years of interinstitutional debate, the proposal for a directive was adopted on 13 October 1998, becoming Directive 98/71 on the legal protection of designs.

57. There are some significant differences between the final version of Article 14 of that directive and the Commission’s initial proposal.¹⁵ In particular, that article now covers all ‘component part[s] used for the purpose of the repair of a complex product so as to restore its original appearance’, and does not require that the component part in question be part of a complex product ‘upon whose appearance the protected design is dependent’, as was provided for in the Commission’s initial proposal.

58. Following the adoption of Directive 98/71, the Commission submitted, on 21 June 1999, an amended proposal for a regulation from which Article 23 had been deleted and a new Article 10a added.¹⁶ That article temporarily excluded spare parts from the scope of the Regulation, pending a harmonised solution within the framework of the Directive, by prohibiting their registration as Community designs in the meantime. However, unlike the scope of Article 14 of Directive 98/71, the scope of Article 10a remained limited to the component parts of a complex product ‘upon whose appearance the design is dependent’.¹⁷

59. That difference between Directive 98/71 and the proposal for a regulation was one of the main obstacles to the adoption of that proposal by the Council, for which a unanimous vote was required pursuant to former Article 308 EC. As a matter of fact, the great majority of delegations argued in favour of convergence between the directive and the regulation in that regard.¹⁸

14

‘Article 23 — Use of a Registered Community Design for repair purposes

The rights conferred by a Registered Community Design shall not be exercised against third parties who, after three years of the first putting on the market of a product incorporating the design or to which the design is applied, use the design under Article 21, provided that:

- (a) the product incorporating the design or to which the design is applied is part of a complex product upon *whose appearance the protected design is dependent*;
- (b) the purpose of such a use is to permit the repair of the complex product so as to restore its original appearance; and
- (c) the public is not misled as to the origin of the product used for the repair.’ (Emphasis added).

15 ‘Article 14 — Transitional provision

Until such time as amendments to this Directive are adopted on a proposal from the Commission in accordance with the provisions of Article 18, Member States shall maintain in force their existing legal provisions relating to the use of the design of a component part used for the purpose of the repair of a complex product so as to restore its original appearance and shall introduce changes to those provisions only if the purpose is to liberalise the market for such parts.’

16 Amended proposal for a Council Regulation (EC) on Community Design (OJ 2000 C 248E, p. 3).

17 ‘Article 10a — Transitional provision

1. Until such time as amendments to this Regulation are adopted on a proposal from the Commission on this subject, a Community design shall not exist in a design applied to or incorporated in a product, which constitutes a component part of a complex product *upon whose appearance the design is dependent*.
2. The proposal from the Commission, referred to in paragraph 1, shall be submitted together with, and take into consideration, any changes which the Commission shall propose on the same subject pursuant to Article 18 of Directive 98/71/EC on the legal protection of designs.’ (Emphasis added).

18 See of the Report from the Presidency to the Permanent Representatives Committee (Coreper), No 12420/2000, of 19 October 2000, paragraph 6 (available at: <http://data.consilium.europa.eu/doc/document/ST-12420-2000-INIT/en/pdf>): ‘The great majority of delegations called for the wording of Article 10a and recital 13 to be more closely aligned on Article 14 of the Directive, since the text proposed by the Commission was likely to exclude from protection more component parts than those referred to in the latter Article’. See also page 2 of the Report from the Presidency to the Coreper, No 8107/2000, of 5 May 2000, available at <http://data.consilium.europa.eu/doc/document/ST-8107-2000-INIT/en/pdf>

60. It was in that context that the Presidency of the Council of the European Union invited the Permanent Representatives Committee (Coreper), on 19 October 2000, to state its position on three alternative versions of the provision on replacement parts for complex products proposed, respectively, by the Commission, the Presidency of the Council and the Irish delegation.¹⁹

61. The first two alternatives retained the requirement that the component part had to be part of a complex product ‘upon whose appearance the design is dependent’. However, that requirement was no longer included in the third alternative, proposed by the Irish delegation.²⁰

62. It was that third alternative, the only one which allows some convergence between Directive 98/71 and the regulation in relation to component parts of complex products, which was agreed upon by the Coreper at the meeting of 25 October 2000.²¹

63. It is thus clear from the *travaux préparatoires* that the removal of the requirement for the component part to be part of a complex product ‘upon whose appearance the protected design is dependent’ was necessary for the adoption of that regulation by the Council, almost eight years after the Commission’s initial proposal. Accordingly, the political agreement reached by the Council is based on the adoption of a repair clause relating to component parts of a complex product having a broader scope than that initially proposed by the Commission, which is against the interests of design holders.

64. I think that the interpretation suggested by Audi, Porsche and the German Government specifically calls that political agreement into question by limiting the scope of Article 110(1) of Regulation No 6/2002 to component parts whose shape is determined by the appearance of the complex product.

65. In my view, the circumstances in which Regulation No 6/2002 was adopted, described above, preclude such an interpretation, which would lead to the reintroduction, by judicial means, of a condition which was removed in the legislative process.

66. I would add that none of the arguments put forward by Audi, Porsche and the German Government changes my view in that regard.

67. One argument is that such an interpretation is consistent with the objective pursued by Article 110(1) of Regulation No 6/2002, which is to prevent the creation of monopolies in the supply of replacement parts.²² According to that argument, no such risk exists where the shape of the component part is not determined by the appearance of the complex product, as is the case with a car wheel rim. That is demonstrated by the fact that the wheel rim market is highly competitive, since consumers can choose between numerous models offered by several manufacturers. Therefore, in the context of the main proceedings, Acacia has the freedom to create new models of wheel rim which do not incorporate the designs of which Audi and Porsche are the holders, since the shape of wheel rims is not determined by the appearance of the car.

68. A second argument relied on by those parties is that that interpretation is consistent with the wording of recital 13 of Regulation No 6/2002, which covers the parts of a complex product ‘upon whose appearance the design is dependent’.

69. I consider that that line of argument should be rejected for the following reasons.

19 Report from the Presidency to the Coreper No 12420/2000, of 19 October 2000, paragraph 9.

20 Report from the Presidency to the Coreper No 12420/2000, of 19 October 2000, pages 9 to 11.

21 Pages 1 and 2 of the Note from the Presidency to the Working Party on Intellectual Property (Designs), No 12811/2000, of 27 October 2000, available at <http://data.consilium.europa.eu/doc/document/ST-12811-2000-INIT/en/pdf>

22 See point 38 of this Opinion.

70. In the first place, I consider that, irrespective of the possibility that they are well founded, those arguments cannot lead to the scope of Article 110(1) of Regulation No 6/2002 being limited by reintroducing, by means of interpretation, a requirement which it was necessary to remove in order for the Council to reach a political agreement.

71. In the second place, I consider that, contrary to what is maintained by Audi, Porsche and the German Government, the aim of preventing the creation of monopolies on the replacement parts market justified the removal of that requirement by the EU legislature.

72. Admittedly, the design holder's monopoly is extended further where the shape of the part *is determined* by the appearance of the complex product. By way of illustration, if the shape of a car headlight is determined by the appearance of the car and that headlight incorporates a protected design, no third party may manufacture or sell replacement headlights without the consent of the design holder. The parties agree that, in such a situation, the repair clause must be applied in order to liberalise the market in replacement parts, by allowing third parties to use the design at issue.

73. The fact remains that the design holder still has a monopoly, albeit a more limited one, where the shape of the component part *is not determined* by the appearance of the car, as is the case with car wheel rims. In that situation, other manufacturers have the freedom to design replacement parts which do not incorporate the protected designs, and it is not possible for the design holder to prevent this. Nevertheless, that design holder, in principle, retains the right to prevent the manufacture or sale of wheel rims which are replicas of those that he has designed. It is how that 'limited' monopoly is to be dealt with which has been the subject of different assessments during the legislative process and in the context of the present case.

74. By excluding from the scope of the repair clause component parts whose shape is not fixed, such as replacement wheel rims, the Commission's initial proposal retained the design holder's 'limited' monopoly, in accordance with the interpretation suggested by Audi, Porsche and the German Government. According to that first approach, Audi has the right to prevent the replacement of a damaged Audi wheel rim with a replica wheel rim manufactured by Acacia. In that respect, the proposal sought the limited liberalisation of the market in replacement parts.

75. However, the final version of the repair clause, which covers *all* component parts of complex products, has the effect of abolishing the design holder's 'limited' monopoly, in accordance with the interpretation proposed by Acacia, the Italian and Netherlands Governments and the Commission. According to the second approach, Audi does not have the right to prevent the replacement of a damaged Audi wheel rim with a replica wheel rim manufactured by Acacia. That approach allows the extensive liberalisation of the market in replacement parts.

76. Consequently, by removing the requirement for the shape of the component part to be determined by the appearance of the complex product, the EU legislature has, in my view, chosen to provide for the extensive liberalisation of the market in replacement parts. From the point of view of the consumer, that liberalisation offers him the possibility, should a repair be required, of purchasing a replacement wheel rim manufactured by a third party which is a replica of the original, damaged wheel rim, instead of having to purchase a replacement wheel rim manufactured by the design holder. In other words, in the event of a repair being required, the consumer is not bound by the choice that he made when he purchased the vehicle.

77. I note that that reading is supported by Article 14 of Directive 98/71, which must be revised in conjunction with Article 110(1) of Regulation No 6/2002 in accordance with Article 110(2) of that regulation.

78. Although that provision allows the Member States to maintain in force existing national provisions establishing a repair clause, it provides that those States may introduce changes to those provisions ‘only if the purpose is to liberalise the market for such parts’. In my view, that provision confirms that the EU legislature’s aim was the liberalisation of the market in replacement parts.

79. In the third place, as regards recital 13 of Regulation No 6/2002, the Commission has claimed that the retention of the wording ‘upon whose appearance the design is dependent’ is the result of a lack of coordination between the recital and the provision containing the repair clause.

80. Although it would seem impossible to resolve this matter with certainty on the basis of the documents published by the Council, there are a number of factors which, in my view, support that position. First, it is possible that that wording was retained as a result of the Coreper’s adoption of the proposal of the Irish delegation, which did not contain any amendments relating to the wording of the recital.²³ Therefore, the compromise text submitted by the Presidency of the Council after the Coreper meeting contained a version of recital 13 which was based on the second alternative (proposed by the Presidency) and a version of the provision based on the third alternative (proposed by the Irish delegation).²⁴ That inconsistency remained for the duration of the Council debate,²⁵ until the adoption of the final text on 12 December 2001.

81. On the other hand, I note that the great majority of the delegations called for the wording of the recital and the repair clause in the proposal for a regulation to be aligned with the wording of Article 14 of Directive 98/71.²⁶ The expression ‘upon whose appearance the design is dependent’ had been deleted from that article in the course of the legislative work.²⁷ These circumstances also support the argument that the retention of that wording in recital 13 of Regulation No 6/2002 is the result of a lack of coordination between the recital and Article 110(1) of that regulation, as submitted by the Commission.

82. In any event, I consider that the wording of a recital, which has no binding force, cannot lead to the limitation of the scope of a provision of a regulation by way of the reintroduction of a condition which it had been necessary to remove in order for the Council to reach a political agreement.

83. I infer from the foregoing that the scope of Article 110(1) of Regulation No 6/2002 is not limited to component parts of a complex product ‘upon whose appearance the protected design is dependent’, this requirement having been expressly rejected by the EU legislature.

C. The conditions laid down in Article 110(1) of Regulation No 6/2002 (the second question referred in Case C-435/16)

84. Two conditions may be inferred from the wording of Article 110(1) of Regulation No 6/2002; one concerning the presence of a component part of a complex product and the other relating to the use of that component part for the purpose of the repair of that complex product so as to restore its original appearance.

²³ Report from the Presidency to the Coreper No 12420/2000, of 19 October 2000, page 11.

²⁴ See points 60 and 61 of this Opinion. Note from the Presidency to the Working Party on Intellectual Property (Designs), No 12811/2000, of 27 October 2000.

²⁵ See, inter alia, pages 6 and 9 of the Report from the Presidency to the Coreper, No 13103/2000, Permanent Representatives Committee, 9 November 2000, pp 6 and 9, available at <http://data.consilium.europa.eu/doc/document/ST-13103-2000-INIT/en/pdf>; Report from the Presidency to the Permanent Representatives Committee, No 13641/2000, of 21 November 2000, pp. 4 and 6 (available at <http://data.consilium.europa.eu/doc/document/ST-13641-2000-INIT/en/pdf>); and Report from the Presidency to the Council (Internal Market, Consumers and Tourism), No 13749/2000, of 24 November 2000, p. 7, available at <http://data.consilium.europa.eu/doc/document/ST-13749-2000-INIT/en/pdf>

²⁶ See footnote 18.

²⁷ See point 57 of this Opinion.

1. *The presence of a component part of a complex product*

85. The first condition relates to the presence of a ‘component part of a complex product’. I would point out that Regulation No 6/2002 does not contain a definition of that concept.

86. The Court has consistently held that it follows from the need for uniform application of EU law and from the principle of equality that the terms of a provision of EU law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the European Union, having regard to the context of the provision and the objective pursued by the legislation in question.²⁸

87. In accordance with that case-law, a number of definitions can be inferred from the context of Article 110(1) of Regulation No 6/2002.

88. First, Article 3(c) of that regulation defines a ‘complex product’ as a product which is composed of multiple components which can be replaced permitting disassembly and re-assembly of the product. Moreover, Article 3(b) of that regulation defines ‘product’ as a concept covering any industrial or handicraft item, including inter alia parts intended to be assembled into a complex product.

89. Secondly, it is clear from the wording of Article 110(1) of Regulation No 6/2002 that the part must be used for the purpose of the repair *of the complex product*. This implies that the part must be necessary for the normal use of the complex product or, in other words, that if that part were faulty or missing, this would prevent the normal use of the complex product. It is common ground between the parties that this applies in the case of car wheel rims. However, that condition appears not to apply, in particular, to car accessories such as child seats, roof racks or sound systems, as rightly submitted by the German Government.

90. Thirdly, Article 110(1) of Regulation No 6/2002 is applicable only to component parts which are protected as a Community design. After all, without such protection, the exception provided for in that provision would be redundant.

91. Consequently, that provision is applicable only to component parts which satisfy, in particular, the conditions laid down in Article 4(2) of that regulation. If a component part does not satisfy those conditions, it cannot benefit from protection as a Community design under Regulation No 6/2002. Therefore, the repair clause is applicable only to component parts which, once they have been incorporated into a complex product, remain visible during normal use of that product and whose visible features fulfil in themselves the requirements as to novelty and individual character.

92. It follows from the foregoing that the concept of a ‘component part of a complex product’ within the meaning of Article 110(1) of Regulation No 6/2002 covers:

- a product incorporated into another product, where the latter is classed as a ‘complex product’;
- which can be removed and replaced;
- which is necessary for the purposes of the normal use of the complex product; and
- which remains visible during the normal use of the complex product.

²⁸ See, inter alia, the judgment of 14 December 2006, Nokia (C-316/05, EU:C:2006:789, paragraph 21), concerning the interpretation of the term ‘special reasons’ in the first sentence of Article 98(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

93. There is little doubt in my mind that a car wheel rim satisfies those conditions and must, therefore, be considered to be a ‘component part of a complex product’ within the meaning of that provision.

94. Nevertheless, Porsche has claimed that car wheel rims cannot be considered to be component parts of a complex product within the meaning of that provision. According to that argument, the look or ‘the aesthetic’ of wheel rims is independent from that of the vehicle, which implies that the consumer is free to select the wheel rims with which he wishes to fit his vehicle in order to give that vehicle a particular appearance.

95. I note that that argument is tantamount to claiming that the repair clause cannot apply to wheel rims because their shape is not determined by the appearance of the vehicle, with the result that various models of wheel rim can be used on one vehicle.²⁹ I would simply note, in that regard, that, in so doing, Porsche is calling on the Court to reintroduce a requirement which has been expressly rejected by the EU legislature, as explained in points 48 to 83 of the present Opinion.

96. I infer from the foregoing that the concept of a ‘component part of a complex product’ is not limited to component parts whose shape is determined by the appearance of the complex product, but covers any product which is incorporated into another product where the latter is classed as a ‘complex product’ which can be removed and replaced, which is necessary for the purposes of the normal use of the complex product and which remains visible during the normal use of the complex product.

2. The use of the component part for the purpose of the repair of the complex product so as to restore its original appearance

97. Under Article 110(1) of Regulation No 6/2002, the component part must be ‘used within the meaning of Article 19(1) for the purpose of the repair of [the] complex product so as to restore its original appearance’.

98. The concept of use established in Article 19(1) of that regulation is defined broadly, so that it covers any use of a component part for the purpose of a repair.

99. I note, in the first place, that the purpose of the repair of the complex product entails a limitation of the scope of Article 110(1) of Regulation No 6/2002. After all, that requirement excludes in particular any use of a component part for reasons of preference or purely of convenience, such as the replacement of a wheel rim for aesthetic purposes.

100. In other words, the benefit of the exception from protection as a Community design applies only where the use of [replacement] parts is *required* on account of the complex product being defective, that is to say, having a defect which prevents the normal use of that product. The complex product can be defective, in my view, either as a result of the part itself being defective or due to the absence of that part, inter alia, in the case of theft.³⁰

101. In that regard, the fact that wheel rims purchased separately from the vehicle could, in practice, be used principally for reasons of preference and not for the purpose of a repair cannot, in itself, justify the exclusion of wheel rims from the scope of that provision.

102. In the second place, Article 110(1) of Regulation No 6/2002 provides further that the repair must be carried out so as to restore the original appearance of the complex product.

²⁹ See point 49 of this Opinion.

³⁰ I note, in that regard, that the requirement relating to the repair of the complex product implies that the component part must be necessary for the normal use of that product. See point 89 of this Opinion.

103. I note that that requirement relates to the appearance of the complex product and not the appearance of the component part. Therefore, in order for that requirement to apply, the replacement of the faulty part must be capable of affecting the appearance of the complex product. In other words, the part must contribute to the appearance of the complex product.

104. I consider that a component part covered by Article 110(1) of Regulation No 6/2002 will necessarily contribute to the appearance of the complex product on account of the interaction between that provision and Article 4(2) of that regulation.³¹ Indeed, as explained above, only component parts which remain visible during the normal use of the complex product may benefit from protection as a Community design and may, therefore, be covered by the repair clause. A component part which remains visible, like a car wheel rim, necessarily contributes to the appearance of the complex product.

105. However, in order to benefit from that derogation, it is still necessary for the repair to be carried out so as to restore the *original* appearance of the complex product. In my view, that requirement implies that the replacement part must have an identical appearance to the part which was originally incorporated into the complex product.

106. Moreover, the concept of appearance must, to my mind, be interpreted in the light of the definition of ‘design’ set out in Article 3(a) of Regulation No 6/2002, so that that concept covers, in particular, the appearance resulting from the features of the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation.

107. In the context of the main proceedings, that requirement means that the appearance of the wheel rim used for the purpose of repair must be identical to the wheel rim originally incorporated into the car, in particular in terms of the features of the lines, contours, colours, shape, texture and/or materials of the wheel rim and/or its ornamentation.

108. I would point out in that regard that the affixing of a trade mark owned by a third party — such as the trade mark ‘WSP Italy’ which Acacia affixes to the wheel rims it manufactures³² — does not imply that the appearance of the replacement part differs from that of the original part to which a trade mark owned by the Community design holders — such as Audi or Porsche — was affixed. Indeed, if that were the case, the exclusive trade mark protection rights of the design holders would allow them to render the scope of Article 110(1) of Regulation No 6/2002 non-existent.³³

109. Audi and the German Government have also suggested that the condition relating to the restoration of the original appearance of the complex product should be interpreted to the effect that it requires that the shape of the part must be determined by the appearance of the complex product. I simply reiterate, in that regard, that, in so doing, those parties are calling on the Court to reintroduce a requirement which has been expressly rejected by the EU legislature.³⁴

110. In summary, in order to benefit from the exception laid down in Article 110(1) of Regulation No 6/2002, the component part must be used ‘for the purpose of the repair of the complex product’, which excludes any use of a component part for reasons of preference or purely of convenience, and ‘so as to restore its original appearance’, which implies that the replacement part must have an identical appearance to that of the part originally incorporated into the complex product.

³¹ See point 91 of this Opinion.

³² See points 13 and 19 of this Opinion.

³³ The Court has already held that Article 110 of Regulation No 6/2002 does not permit a manufacturer of spare parts, such as Acacia, to affix [to its products] a trade mark registered by a car manufacturer without the consent of that car manufacturer. See point 133 of this Opinion.

³⁴ See points 48 to 83 of this Opinion.

D. The precautionary measures to be taken by a manufacturer or supplier of component parts of a complex product as regards compliance with the conditions of use laid down in Article 110(1) of Regulation No 6/2002 (the third question in Case C-397/16 and the third and fourth questions in Case C-435/16)

111. The third question in Case C-397/16 and the third and fourth questions in Case C-435/16 relate to the precautionary measures to be taken by a manufacturer or supplier of replacement parts who wishes to rely on Article 110(1) of Regulation No 6/2002 in order to ensure that those parts are used in accordance with the conditions of use laid down in that provision.³⁵

112. It will be recalled that those conditions concern the use of the component part for the purpose of the repair of the complex product so as to restore its original appearance.³⁶

113. I would observe that the wording of Article 110 of Regulation No 6/2002 does not refer specifically to the precautionary measures which manufacturers or suppliers may be required to take as regards compliance with the conditions of use. Consequently, it is for the Court to interpret that provision in order to determine the content of the measures which manufacturers or suppliers may be required to take if they wish to rely on the repair clause in order to preclude the exclusive rights of the design holder.

114. In that regard, it does not seem to be possible, contrary to what was submitted by Audi, Porsche and the German Government, to adopt a restrictive interpretation of the repair clause for the following reasons.

115. First, despite its wording, that clause does not constitute a transitional provision for the purposes of the case-law of the Court, that is to say, it is not a provision which is applicable for a limited period of time in order to facilitate the transition to definitive arrangements.³⁷ According to the wording of that clause, it is to apply ‘until such time as amendments to this Regulation enter into force on a proposal from the Commission’. However, this is also the case for all the other provisions of the Regulation, which are to apply, by their nature, until such time as they are amended on a proposal from the Commission.

116. In reality, and as pointed out by the Commission, the repair clause, which has been in force since 6 March 2002 under Article 111(1) of that regulation, is intended to apply indefinitely.

117. Secondly, the repair clause does not constitute a derogation from a fundamental principle of EU law, which could also justify a restrictive interpretation, but rather a provision which seeks to maintain the balance between legitimate yet competing interests, namely those of the design holders and those of third parties, in the context of the protection of designs.

³⁵ As regards the broad definition of the concept of ‘use’ given in Article 19(1) of Regulation No 6/2002, manufacturing or selling a product in which a design is incorporated, or to which it is applied, and stocking the product for those purposes, without the consent of the design holder, infringe the exclusive rights of the latter.

³⁶ I note, in that regard, that compliance with the first of the conditions examined in the previous section, relating to the existence of a component part of a complex product, does not depend on the adoption of precautionary measures by the manufacturer or supplier, but only on the objective characteristics of the product at issue, set out in point 92 of the present Opinion.

³⁷ The Court has interpreted such transitional clauses in, inter alia, the judgments of 23 March 1983, *Peskeloglou* (77/82, EU:C:1983:92, paragraphs 11 and 12); of 5 December 1996, *Merck and Beecham* (C-267/95 and C-268/95, EU:C:1996:468, paragraphs 23 and 24); and of 12 June 2008, *Commission v Portugal* (C-462/05, EU:C:2008:337, paragraphs 53 and 54).

118. As explained above,³⁸ the aim of the repair clause is to achieve extensive liberalisation of the market in replacement parts by preventing a design holder from exercising his exclusive rights in respect of the use of any replacement parts incorporating a design of which he is the holder for the duration of the use of the complex product. In establishing an exception from protection as a Community design, that clause helps to achieve a balance between the exclusive rights of design holders and the rights of third parties, by allowing the latter to use the designs held by the former for the purpose of the repair of a complex product.

119. Consequently, the interpretation of that clause must preserve the effectiveness of the extensive liberalisation sought by the EU legislature with regard to replacement parts.

120. The content of the precautionary measures which manufacturers or suppliers of component parts may be required to take must be determined in the light of those factors. The main difficulty in doing so lies in the fact that the activities of manufacturers or suppliers are downstream of the repair capable of coming within the scope of Article 110(1) of Regulation No 6/2002. In other words, those precautionary measures concern the conditions in which a component part will be used in the future and, most often, by third parties.

121. In that regard, the Court has suggested three approaches based, respectively, on guarantee, reporting or diligence requirements. I favour the latter of these approaches, which seems to be the most appropriate for preserving the effectiveness of the repair clause.

122. The first approach, based on an obligation of guarantee, consists of requiring manufacturers and suppliers to guarantee that the replacement parts which they manufacture or sell will be used ‘for the purpose of the repair of the complex product so as to restore its original appearance’. In my view, such an obligation of guarantee would excessively diminish the effectiveness of Article 110(1) of Regulation No 6/2002.

123. First, under such an obligation of guarantee, manufacturers and the suppliers would be compelled to offer replacement parts only if they could be certain, in advance, that those parts would be used in the abovementioned conditions.

124. Accordingly, Audi has proposed that replica wheel rim manufacturers be required to distribute their products only to auto repair shops and to ensure that those shops use the products exclusively for repair purposes. Porsche has suggested that the sale of replica wheel rims between manufacturers and dealers be prohibited since such sales involve quantities which are too large to be able to ascertain compliance with the aforementioned provision. I would add that a manufacturer may not even be permitted to manufacture a replica wheel rim unless it had been duly established that a repair was required.

125. However, such restrictions on the commercial activities of manufacturers and suppliers of component parts would have the effect of limiting their access to the market in replacement parts, which is contrary to the liberalisation objective pursued by Article 110(1) of Regulation No 6/2002. First of all, Audi’s proposal disregards the possibility of repairs being made outside of auto repair shops, in particular by the end user himself. Moreover, under Porsche’s proposal, it would not be permitted for replica wheel rims to be sold by dealers, who represent an important commercial outlet. Finally, manufacturing replica wheel rims only when specifically required would lead to the loss of economies of scale for manufacturers and delays in the supply of those wheel rims, thereby benefiting the original wheel rims sold by the design holders.

³⁸ See points 43 to 47 and points 71 to 78 of this Opinion.

126. Secondly, such an obligation of guarantee would mean that manufacturers and suppliers would be responsible for the actions of all actors down the distribution chain, including the end users. Therefore, manufacturers and suppliers could be held responsible if the end users of the replica wheel rims were to use them out of preference. In that regard, Acacia and the Commission have rightly submitted that it would be disproportionate to require a manufacturer or supplier of component parts to put in place a system to monitor the activities both of upstream commercial operators and of end users.

127. I would add that it is still possible for the design holder to enforce his rights against the user concerned if the holder considers that the conditions of use laid down in Article 110(1) of Regulation No 6/2002 have not been fulfilled.

128. For those reasons, I consider that manufacturers and suppliers should not be required to provide a guarantee that the replica parts they manufacture will be used in accordance with the aforementioned conditions.

129. The second approach proposed to the Court consists of imposing on manufacturers and suppliers of spare parts the obligation to obtain a declaration from the customer to the effect that he will not use the part for any purpose other than that provided for in Article 110(1) of Regulation No 6/2002.³⁹

130. Such an approach seems excessively rigid inasmuch as it would prevent manufacturers and suppliers from using other precautionary measures which may be appropriate in the context of their activities. Moreover, the effectiveness of that approach is questionable. It is quite conceivable that a manufacturer or a supplier might formally obtain that declaration in the knowledge that the customer will not, in fact, use the part in accordance with the conditions laid down in that provision.

131. The third approach, set out by the Italian Government and the Commission, is based on a duty of diligence as regards compliance by downstream users with the conditions of use laid down in Article 110(1) of Regulation No 6/2002. I favour that approach, which is, in my view, the most appropriate for preserving the practical effect of the extensive liberalisation of the market in replacement parts sought by the EU legislature. However, it should be made clear what such an obligation implies in practice.

132. In my opinion, a diligent manufacturer or supplier should inform the customer, on the one hand, that the component part concerned incorporates a design of which that manufacturer or supplier is not the holder, and on the other, that the part is intended exclusively to be used for the purpose of the repair of the complex product so as to restore its original appearance.

133. I note, in that regard, that the Court has already held that Article 14 of Directive 98/71 and Article 110 of Regulation No 6/2002 do not allow, by way of derogation from the provisions of EU law on trade marks, a manufacturer of replacement parts to affix to its products a trade mark registered by a car manufacturer, without obtaining the latter's consent.⁴⁰ Therefore, a third party manufacturer — such as Acacia — may not create confusion between its replica parts and the original parts manufactured by the design holder — such as Audi or Porsche — by affixing to its products a trade mark held by the design holder.

134. Moreover, the manufacturer or supplier must have the opportunity to demonstrate that they have fulfilled that obligation to provide information through any means of proof provided for in national law. Such proof may include, but not be limited to, a signed declaration from the customer such as that referred to in the context of the second approach, or a clause inserted into the sales contract.

³⁹ There is a particular reference to that approach in the fourth question raised in Case C-435/16.

⁴⁰ Order of 6 October 2015, *Ford Motor Company* (C-500/14, EU:C:2015:680).

135. That obligation to provide information is not, however, sufficient to fulfil the duty of diligence. A diligent manufacturer or supplier must also refrain from selling a component part where he knows, or has reasonable grounds to know, that the part in question will not be used in accordance with the conditions laid down in Article 110(1) of Regulation No 6/2002.

136. I note that both the Court⁴¹ and the EU legislature⁴² have used similar conditions in the field of intellectual property.

137. In summary, I consider that, in order to rely on the repair clause, the manufacturer or supplier of a component part of a complex product must fulfil a duty of diligence as regards compliance by downstream users with the conditions of use laid down in Article 110(1) of Regulation No 6/2002. That duty of diligence requires, on the one hand, that the manufacturer or supplier must inform the customer that the component part concerned incorporates a design of which the manufacturer or supplier is not the holder and that the part is intended exclusively to be used in accordance with the conditions set out in that provision and, on the other hand, that the manufacturer or supplier loses the right to rely on that article if he knew, or had reasonable grounds to know, that the part in question would not be used in accordance with those conditions.

VI. Conclusion

138. In the light of the foregoing, I propose that the Court give the following answers to the questions referred to it for a preliminary ruling by the Corte d'appello di Milano (Court of Appeal, Milan, Italy) and the Bundesgerichtshof (Federal Court of Justice, Germany):

- (1) Article 110(1) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs must be interpreted as meaning that the concept of a 'component part of a complex product' is not limited to component parts whose shape is determined by the appearance of the complex product, but covers any product which is incorporated into another product where the latter is classed as a 'complex product' which can be removed and replaced, which is necessary for the purposes of the normal use of the complex product and which remains visible during the normal use of the complex product.
- (2) In order to benefit from the exception laid down in Article 110(1) of Regulation No 6/2002, the component part must be used 'for the purpose of the repair of the complex product', which excludes any use of a component part to suit a personal preference or purely for the sake of convenience, and 'so as to restore its original appearance', which implies that the replacement part must have an identical appearance to that of the part originally incorporated into the complex product.

⁴¹ See, *inter alia*, in a different context, judgment of 8 September 2016, *GS Media* (C-160/15, EU:C:2016:644). The Court held that the fact of posting, on a website, hyperlinks to protected works which are freely available on another website without the consent of the copyright holder does not constitute a 'communication to the public' within the meaning of Article 3(1) of Directive 2001/29 where those links are provided without the pursuit of financial gain by a person who *did not know or could not reasonably have known* the illegal nature of the publication of those works. Although that judgment cannot be directly applicable to the present cases, I note that the Court used a criterion analogous to that which I am suggesting.

⁴² See Article 13(1) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ 2004 L 157, p. 45), which indicates that: 'Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer *who knowingly, or with reasonable grounds to know*, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him as a result of the infringement. ...' (emphasis added). See also Article 4(4) of Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (OJ 2016 L 157, p. 1), which mentions that: 'The acquisition, use or disclosure of a trade secret shall also be considered unlawful whenever a person, at the time of the acquisition, use or disclosure, *knew or ought, under the circumstances, to have known* that the trade secret had been obtained directly or indirectly from another person who was using or disclosing the trade secret unlawfully within the meaning of paragraph 3' (emphasis added).

- (3) In order to rely on that exception, the manufacturer or supplier of a component part of a complex product must fulfil a duty of diligence as regards compliance by downstream users with the conditions of use laid down in Article 110(1) of Regulation No 6/2002. That duty of diligence requires, on the one hand, that the manufacturer or supplier must inform the customer that the component part concerned incorporates a design of which the manufacturer or supplier is not the holder and that the part is intended exclusively to be used in accordance with the conditions set out in that provision and, on the other hand, that the manufacturer or supplier loses the right to rely on that article if he knew, or had reasonable grounds to know, that the part in question would not be used in accordance with those conditions.