

Special Topics

APAA Design Committee Questionnaire (2009)

“Are Spare Parts Protected? Must Fit/Must Match Provision in Design Law”

Group: Hong Kong

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Q 1 Do the following designs clear the requirement for registration? If not, please explain the reason by indicating related provision

In Hong Kong, design applications are only examined as to form and not substance. The Registry will only consider the "formal requirements" of the design application under section 24 of the Registered Designs Ordinance (Cap 522) ("**Ordinance**") and there is no obligation on the part of the Registry to consider the registrability of the design in determining whether to accept an application for registration of design under section 27 of the Ordinance. That said, for the sake of discussion, we have provided our view on the registrability of the various design articles in Q1 (Answer), in case their registrability is being challenged in court.

The following Q1 (Answer) assumes that the following articles are novel under section 5 of the Ordinance and are all made and sold separately as otherwise they will not be registrable under the definition of "article" in section 2 of the Ordinance (where a part of article is not registrable unless made and sold separately).

In considering the registrability of the articles below, we have considered the following:

- 1) whether they qualify as a "design" according to section 2 of the Ordinance;
- 2) whether they satisfy the "material appearance" requirement in section 6 of the Ordinance; and
- 3) relevant case law (if applicable).

	Titles(Articles)	Q 1(Answer)	Q2 (Answer)
1	Semiconductor device	1) Definition of "design" - its registrability may be challenged on the ground that it is dictated solely by the function it performs under section (b)(i) of the definition of "design" which states that "a design does not	No such provision in Hong Kong.

		<p>include features of shape or configuration of an article which are dictated solely by function which the article has to perform"</p> <p>2) "Material appearance" - this requirement is not applicable if the article is used inside an electrical appliance so it is not visible during normal use (hence no appearance for application)</p> <p>3) Protection may be available under the Layout-Design (Topography) of Integrated Circuits Ordinance</p>	
2	Connected termination	<p>1) Definition of "design" - its registrability may be challenged on the ground that it is dictated solely by the function it performs under section (b)(i) of the definition of "design" which states that "a design does not include features of shape or configuration of an article which are dictated solely by function which the article has to perform"</p> <p>2) "Material appearance" - this requirement is not applicable if the article is too small for naked eyes (hence no appearance for application)</p>	Ditto
3	Engine for airplane	<p>1) Definition of "design" - its registrability may be challenged on the ground that it is dictated solely by the function it performs under section (b)(i) of the definition of "design" which states that "a design does not include features of shape or configuration of an article which are dictated solely by function</p>	Ditto

		<p>which the article has to perform"</p> <p>2) "Material appearance" - it is visible during normal use and its appearance seems to be material</p>	
4	Head cover for motor vehicle engines	<p>1) Definition of "design" - its registrability may be challenged on the ground that its shape is dependent upon the appearance of another article intended to form an integral part under section (b)(ii) of the definition of "design" which states that "a design does not include features of shape or configuration of an article which are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part", applying <i>Ford Motor Design case [1993] R.P.C. 399 RDAT</i> which was based on Article 1(1)(b)(ii) of the old UK Designs Act (1988) (adopted in Hong Kong): <i>the must-match exception provision shall apply to the "main body panels, doors, the bonnet lid, the boot lid, and the windscreen" because all of them "formed part of and contribute to the overall shape and appearance of the vehicle," whereas said provision shall not apply to "such items as wing mirrors, wheels, seats, and the steering wheel" because "substitutions were possible while leaving the general shape and appearance of the vehicle unaffected."</i></p> <p>2) "Material appearance" - it is visible during normal use and its</p>	Ditto

		appearance seems to be material	
5	Toner cartridge	<p>1) Definition of "design" – depending on the circumstances not a "functional" shape or configuration and not dependent upon the appearance of another article, hence it should qualify as a "design"</p> <p>2) "Material appearance" – if it is visible during normal use (regarded as "consumable", i.e. components which have to be replaced as a regular part of the operation of a machine under <i>Canon Kabushiki Kaisha v Green Cartridge Co (Hong Kong) Ltd [1997] W.L.R. 13.</i>) and its appearance seems to be material although generally aesthetic consideration is not material.</p>	Ditto
6	Battery	<p>1) Definition of "design" – depending on the circumstances not a "functional" shape or configuration and not dependent upon the appearance of another article, hence it should qualify as a "design"</p> <p>2) "Material appearance" - the pattern applied to the battery has made its appearance material although generally aesthetic consideration is not material.</p>	Ditto
7	Toy Block	<p>1) Definition of "design" - the issue of "sole function" in section (b)(i) of the definition of "design" is considered in the case of <i>Interlego AG v Tyco Industries Inc., Tyco Industries (Hong</i></p>	Ditto

		<p><i>Kong) Limited and others CACC 43/1986 which held that the design should clear the requirement for registration:</i></p> <p><i>"On a careful examination of all the evidence that was before the judge, I have no doubt that the eye of customers (adults and children) would be greatly influenced by the appearance of the Lego bricks in favour of buying them rather than other articles of the same fundamental kind. Functional suitability alone would not govern their choice. The bricks had an eye appeal that went beyond considerations of functional efficiency. In my judgment, the features of shape etc. were not dictated solely by function, and so the second or negative part of the definition of "design" is no bar to registration."</i></p> <p>2) "Material appearance" - its appearance was considered to be "material" according to the same case above.</p>	
8	Toy Block	Ditto	Ditto
9	Fluid distribution equipment	<p>1) Definition of "design" - its registrability may be challenged on the ground that it is dictated solely by the function it performs under section (b)(i) of the definition of "design" which states that "a design does not include features of shape or configuration of an article which are dictated solely by function</p>	Ditto

		<p>which the article has to perform"</p> <p>2) "Material appearance" – if it is visible during normal use and its appearance seems to be material</p>	
10	Head for shaver	<p>1) Definition of "design" - its registrability may be challenged on the ground that it is dictated solely by the function it performs under section (b)(i) of the definition of "design" which states that "a design does not include features of shape or configuration of an article which are dictated solely by function which the article has to perform". Reference could be made to the case of <i>Philips v Remington C-299/99 ECJ decision of 18 June 2002</i> where the court held that a 3D trade mark consisting of this design (3 head shaver) was invalidated as the essential functional features of that shape are attributable only to the technical result.</p> <p>2) "Material appearance" - it is visible during normal use and its appearance seems to be material</p>	Ditto
11	Door panel for motor vehicle	<p>1) Definition of "design" - its registrability may be challenged on the ground that its shape is dependent upon the appearance of another article intended to form an integral part under section (b)(ii) of the definition of "design" which states that "a design does not include features of shape or configuration of an article which are dependent upon</p>	Ditto

		<p>the appearance of another article of which the article is intended by the designer to form an integral part", applying <i>Ford Motor Design case [1993] R.P.C. 399 RDAT</i> which was based on Article 1(1)(b)(ii) of the old UK Designs Act (1988) (adopted in Hong Kong): <i>the must-match exception provision shall apply to the "main body panels, doors, the bonnet lid, the boot lid, and the windscreen" because all of them "formed part of and contribute to the overall shape and appearance of the vehicle," whereas said provision shall not apply to "such items as wing mirrors, wheels, seats, and the steering wheel" because "substitutions were possible while leaving the general shape and appearance of the vehicle unaffected."</i></p> <p>2) "Material appearance" - it is visible during normal use and its appearance seems to be material especially where special pattern, decorations or other design features are applied to the door panel.</p>	
12	Front glass for motor vehicle	Ditto	Ditto
13	Bonnet for motor vehicle	Ditto	Ditto
14	Fender for motor vehicle	Ditto	Ditto
15	Trunk lid for motor vehicle	Ditto	Ditto
16	Front grill for motor vehicle	1) Definition of "design" - its registrability may not be challenged, applying <i>Ford Motor</i>	Ditto

		<p><i>Design case [1993] R.P.C. 399 RDAT which was based on Article 1(1)(b)(ii) of the old UK Designs Act (1988) (adopted in Hong Kong): the must-match exception provision shall apply to the "main body panels, doors, the bonnet lid, the boot lid, and the windscreen" because all of them "formed part of and contribute to the overall shape and appearance of the vehicle," whereas said provision shall not apply to "such items as wing mirrors, wheels, seats, and the steering wheel" because "substitutions were possible while leaving the general shape and appearance of the vehicle unaffected."</i></p> <p>2) "Material appearance" - it is visible during normal use and its appearance seems to be material</p>	
17	Headlight for motor vehicle	Ditto	Ditto
18	Wheel rim for motor vehicle	Ditto	Ditto
19	Seat for motor vehicle	Ditto	Ditto
20	Side mirror for motor vehicle	Ditto	Ditto
21	Steering Wheel for motor vehicle	Ditto	Ditto

Q 2 Is there a restriction placed on the exercise of a design right with respect to the above designs 1 to 21 when the copying of a design is for the purpose of repair, etc. If so, please explain the detail of restriction and related provision.

Answer:

Hong Kong does not adopt the entire "design rights" under the Copyright Designs & Patents Act 1988 and Registered Designs Act 1949 (c.88). We do not have "design rights" as such (apart from those expressly set out in Part III of the Ordinance) but it is possible to exercise "design rights" based on the copyright subsisting in the design, as the copying of functional industrial articles constituted infringement of artistic copyright in their design drawings, by reproducing those drawings in three dimensions, was upheld by a majority decision in the House of Lords in the case of *British Leyland v Armstrong* [1986] R.P.C. 279, HL.

The scope of and justification for the spare parts exception in *British Leyland* was however examined by the Hong Kong Court of Appeal decision of *Canon Kabushiki Kaisha v Green Cartridge Co (Hong Kong) Ltd* [1997] W.L.R. 13 which contains an extensive criticism of the intellectual property basis of the "right to repair" in the House of Lords' decision and concluded that the spare parts exception "cannot be regarded as truly founded on any principle of the law of contract or property". In view of its basis, it should not be further extended to cover "consumables", that is components which have to be replaced as a regular part of the operation of a machine (such as toner cartridges), as distinct from components that have to be replaced in the course of repairing a machine because they break or wear out.

Q 3 Please explain if there is something an applicant should know before registering and protecting parts designs.

Answer:

An applicant should be aware of the following before registering and protecting parts designs:

- The parts design is not registrable unless made and sold separately under the definition of "article" in section 2 of the Ordinance;
- The design should not contain features of shape or configuration which are dictated solely by the function it has to perform or are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part under the definition of "design" in section 2 of the Ordinance;
- The design has to be new (if it has not been registered for the same or any other article or it has not been previously published or disclosed in the Hong Kong or elsewhere) under section 5 of the Ordinance. Disclosure of the design before filing an application may destroy its novelty and the registration may be invalid;
- The design is not registrable in respect of an article if the appearance of the article is not material, that is, if aesthetic considerations are not normally taken into account to a material extent by persons acquiring or using articles of that description, and would not be so taken into account if the design were to be applied to the article under section 6 of the Ordinance;

- The applicant can claim a priority date based on a first application in a Paris Convention country or WTO member territory if he applies in Hong Kong within 6 months of the first application under section 15 of the Ordinance; and
- Design applications are only examined as to form and not substance in Hong Kong.
- Other forms of IP protection such as copyright should be considered.

Q 4 Is there Must Fit provision? If so, please explain the details of such a provision, e.g., registrability, restriction of design rights, restriction of duration of design rights.

Answer:

We do not have any must-fit provision in relation to the *British Leyland* exception explained in the *Canon* case.

Q 5 Is there Must Match provision? If so, please explain the details of such a provision, e.g., registrability, restriction of design rights, restriction of duration of design rights, remuneration, source indication.

Answer:

Under section 2 of the Ordinance, "design" does not include -

- (a) a method or principle of construction; or
- (b) features of shape or configuration of an article which -
 - (i) are dictated solely by function which the article has to perform; or
 - (ii) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part.

This so-called "must match provision" is inherited from section 213(3)(b)(ii) of the UK Copyright, Designs and Patents Act 1988. However, there is no "repair" provision in Hong Kong which allows design registration of spare parts but prohibits the exercise of the design rights against those who copy the designs for the purpose of repair.

Q 6 Is there any development of legislation for a must match provision? If so, please explain it. What kind of opinion do scholars, experts, the government, the automobile industry, the parts industry, the insurance industry and consumer organization have with respect to a Must Match provision ?

Answer:

There has not been any development of legislation for a must match provision to incorporate the "repair clause" in Hong Kong so far. In fact, there has not been any recent development or discussion on design law in general in Hong Kong.

According to an article "*Commission adopts proposal to liberalise EU car spare parts market*" published in the Hong Kong Trade Development Council website on 30 September 2004, the introduction of a "repair clause" by the Commission in Europe to remove car manufacturers' monopolies on car spare parts would be of great interest to Hong Kong manufacturers as it could open up a huge market for Hong Kong or Chinese manufacturers in spare parts for cars, although this may change in due course now that Hong Kong has its first 4-wheel light vehicle created, designed and developed in Hong Kong. The amendment of the Directive would allow independent manufacturers to make and sell visible spare parts identical to the original parts which would mean that independent Hong Kong spare parts makers could start to produce and sell visible replacement vehicle parts, such as bumpers, doors, bonnets, headlights, mud-flaps and windscreens in the whole of EU. The amendment would also, but in a minor way, affect the market for repairable equipment, such as electrical appliances, two-wheeled vehicles and clocks. Further, as a consequence, the amendment would lead to more competitive prices for consumers (the Commission concluded that spare parts are 6-10% more expensive in Member States where they are subject to design protection).

Q 7 What is your opinion of about Must Match provision ?

Answer:

The introduction of a must match provision and a repair clause will open up the spare parts/consumables markets. On the assumption that the quality of these third party spare parts or consumable items is equivalent to that of the proprietary manufacturer, this will not only create huge business opportunities for non-proprietary manufacturers, but also benefit consumers because they may be able to spend less in replacing the parts and for car owners, this may also mean less car insurance premium (as the replacement costs will be less).

The opening up of such markets encourage competition, which will hopefully be free and air. This is similar to the situation where proprietary and generic drugs can co-exist and compete in the market. Despite availability of third party spare parts or consumable equivalents, it is likely that the original proprietary supplier will still enjoy a competitive edge as consumers are likely to have more confidence in a brand name and spare parts/consumables from the original supplier.

End of Answer sheet