

PRESS RELEASE

Protectionist Member States block pan-European liberalisation that stifles competitive choices for 260 million motoring consumers. The European Commission is forced to withdraw its 'Repairs Clause' proposal.

Brussels, 22/05/2014 – The European Commission' decision to withdraw its proposal to introduce a Europe-wide Repairs Clause into the Design Directive 98/71/EC became effective yesterday with its publication in the Official Journal of the European Union.

This decision, based on the lack of progress at Council level, temporarily closes a ten years long process. Negotiations initially started in 2004, when the Commission supported and submitted a proposal to introduce a Europe-wide **Repairs Clause** into the Design Directive 98/71/EC, aiming to **open the market for visible automotive replacement parts to free and fair competition across the European Union**. The Repairs Clause strikes a fair balance between intellectual property protection, the need for free competition, consumers' protection and the finalisation of the single market. The Repairs Clause would protect 260 million EU vehicle owners from a spare parts and repair monopoly in body-related spare parts such as windscreens, body panels or lighting.

The European Parliament supported the need for this legislative proposal and approved the introduction of the Repairs Clause with an overwhelming majority in December 2007.

The Commission's decision to withdraw its proposal means that the patchwork of national design legislation will persist. The tenacious activity of the ECAR alliance, has achieved some important support. Today, **eleven EU Member States have fully liberalised** their automotive visible spare parts market. Poland adopted a Repairs Clause in its national design legislation in 2007. While Germany did not adopt a dedicated legal framework, a de facto close to competitive situation could be achieved with a commitment given by the German vehicle manufacturers to the German government to not abuse their design registrations against independent market operators. Progress was also made in Member States traditionally reluctant to opening this market: in France, the National Competition Authority recently confirmed the need to liberalise the spare parts market through the adoption of a solution rooted in the Repairs Clause principles. Moreover, the Community-Design Regulation includes a Repairs Clause.

ECAR regards the decision to withdraw the proposal for a pan-European Repair Clause as a retroactive step, but not as the end of the struggle for free and fair competition in Europe. Louis Shakinovsky, ECAR's Chairman, states: *"For more than 21 years ECAR fought for this cause and convincingly demonstrated that the Repairs Clause is legally, economically and socially the only solution. The decision to withdraw this proposal thwarts the will and judgement of **the European Parliament but also for the European Commission**, since both institutions have been **unable to withstand political pressure coming from few non-liberalised Member States with strong vehicle manufacturers' influence**. This decision is harmful for the **EU internal market** and - above all – for the **260 million vehicle owners, who will continue to pay the price for the lack of liberalisation.**"*

The Commission announced its intention to review the regime on industrial designs protection and to carry out an economic and a legal study. Whilst contributing to the studies, ECAR is committed to work hand-in-hand with EU institutions to allow the completion of an internal market for visible automotive replacement parts and improve and motoring consumers' freedom of choice across the European Union.

About ECAR: Established in 1993, the European Campaign for the Freedom of the Automotive Parts and Repair Market is an alliance of 7 European associations representing independent vehicle body and glass parts producers, parts distributors and repairers and a large cross section of small and medium-sized enterprises as well as around 260 million motoring consumers in the European Union. ECAR's main objective is to promote free competition and to prevent a monopolisation of the market for visible spare parts through abuse of design protection. For more information, visit www.ecar-eu.com

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