

Monopoly pricing under industrial design protection: The case of automotive spare parts

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Extended abstract

In the European Union (EU), despite the efforts to harmonize national laws on industrial design protection, differences remain in the scope of protection granted to the spare parts (components of complex products) for the purpose to restore the original appearance of a product. While some member states protect these *visible* spare parts in the aftermarket, others open it to the competition under a so-called *repair clause*.

This lack of harmonization results in fragmentation of the EU internal market. On one hand, in member states where *visible* spare parts are protected an imitation would constitute an infringement and a holder of a protected design may prevent manufacturing, importing or selling of similar (competing) parts. On the other, in member states that opted for a *repair clause* competition from independent manufacturers is allowed.

In this article, we analyse whether pricing of *visible* spare parts differs between protected and unprotected markets. To do so, we use price information for 13 automotive spare parts in 17 countries collected between 2001 and 2016.

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