

# Scooting to court over joint ownership of designs

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- Collaboration between businesses on the development of designs for motor scooters
- Lack of clarity in contractual arrangements
- Consideration of whether parties had agreed to joint ownership of designs arising from the collaboration

## What's it about?

The claimants (Scomadi, a manufacturer of motor scooters) and the defendants (RA Engineering and Hanway) collaborated on the development of a product intended to be an updated version of the classic Lambretta scooter from the 1960s, and entered into two agreements which aimed to document their collaboration, including details such as the ownership of any designs that they created and the extent to which the arrangement was exclusive.

The relationship between the parties ultimately broke down, leading to a dispute on a variety of issues. Amongst other things, the claimants argued that the defendants did not have the right to manufacture and sell scooters which used the claimants' Community Registered Designs. In the present hearing, the IPEC was asked to consider only certain aspects of the dispute, including whether or not the parties had agreed to joint ownership of the designs arising out of the collaboration.

## Why does it matter?

The Community Design Regulation (EC 6/2002) provides that where two or more persons have jointly developed a design, the right to the Community design shall vest in them jointly (Article 14). However, here the IPEC was required to consider what the parties had expressly agreed as regards ownership. In particular, whereas the first agreement between the parties provided that all designs would be owned by the claimants, the second agreement (the "supplementary agreement") provided that Hanway "*owns some part of final design for frame, plastic parts and lamp moulds*" on the basis of its investment in the project.

In concluding that the parties had intended that the designs would be owned jointly (and therefore that the defendants were permitted to make and sell the scooters), the IPEC considered recent case law on contract interpretation from the Supreme Court in the case of *Wood v Capita Insurance Services*. In particular, while the court's role is to ascertain what a reasonable person (with the relevant background knowledge) would have understood the parties to have meant, where a contract has not been drafted by skilled professionals it is appropriate to place a greater emphasis on the relevant facts as opposed to the strict letter of the provisions in question.

## Now what?

This case highlights the importance of ensuring that arrangements concerning the development of intellectual property are clearly documented by specialist IP lawyers. The less clear the agreement, the more room there is for disputes to arise.

[\*Scomadi & Anr v RA Engineering Co Ltd & Ors \[2017\] EWHC 2658 \(IPEC\)\*](#)

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