

O-137-09

**REGISTERED DESIGNS ACT 1949 (AS AMENDED)**

**IN THE MATTER OF REGISTERED DESIGNS 4001559 AND 4001666**

**IN THE NAME OF CENTRAL VISTA (M) SDN BHD**

**AND**

**APPLICATIONS FOR INVALIDATION (23/07 AND 24/07)**

**BY PEMI TRADE s.r.o**

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by Pemi Trade s.r.o**

### **Background**

1. Applications were made by Pemi Trade s.r.o (hereafter "Pemi") in October 2007 to invalidate the above registered designs filed on 9<sup>th</sup> February 2007 and 15<sup>th</sup> February 2007 respectively on the grounds that they were neither new nor did they have individual character at the date of their application. It is not disputed that Pemi are entitled to apply for invalidation in accordance with section 11ZB on the Registered Designs Act 1949 (as amended) (hereafter the "Act"). Counterstatements were filed by Central Vista (M) SDN BHD (hereafter "Central") which say that they are the rightful owners of the design of the bottles concerned, having sold products called "DOUBLE FUN SPRAY" to Pemi, but not having assigned any design right associated with the 'DOUBLE FUN SPRAY'.
2. Both sides filed evidence in support of their claims which I shall summarise below. Neither side has requested to be heard nor have submissions been filed. Accordingly I make this decision from the papers filed.
3. Although not formally consolidated, the applications for invalidation have, from a procedural point of view, been dealt with together. I will, therefore, issue one decision covering both applications for invalidation.

### **Pemi's evidence**

4. Robert James Hawley, a Trade Mark and Design Attorney with William A Shepherd & Son Ltd acting for Pemi, has provided a witness statement dated 20<sup>th</sup> March 2008. He says the information provide in the witness statement has in turn been provided to him by the applicant and/or its legal representatives in the Czech Republic.
5. Mr Hawley says that Pemi are the proprietors of Community Design Registration 000533401-0001 which is protected in respect of sprays for liquid confectionery. The registration was filed on 22<sup>nd</sup> May 2006 (with that date as its registration date) and published on 20<sup>th</sup> June 2006.

6. He then denies and refutes allegations made in the counterstatement regarding ownership of the confectionery product called the 'Double Fun Spray' and design rights which attach to the bottle in which the product is sold. In this regard he says that Pemi commenced producing liquid confectionery products in its own factory in the Czech Republic in 2001 and has done so continuously from that date. Mr Milan Šír is the Company Executive Director for Pemi and attends many trade shows, one of these being the ISM Show in Germany. It was at the ISM show in January 2003 that he met Mr Tey Chin Kwee the Managing Director of Central. Mr Kwee was displaying confectionery sprays under the name MAGIC SPRAY and Mr Šír told him that any such use would amount to infringement of an International Trade Mark. However, the two discussed the possibility of transferring Mr Šír's manufacturing base to China from Europe. Initial attempts were thus made to forge a business relationship. Mr Kwee duly supplied Mr Šír with a sample product 'MAGIC SPRAY' in May 2003. This was adjudged to be inferior, but in due course it was agreed that Mr Kwee would supply Mr Šír with all confectionery products previously manufactured in the Czech Republic. New premises in China had to be acquired for the purpose and in October 2005 the first sale and shipment took place of the MAGIC SPRAY product.

7. In that month (October 2005) Mr Šír attended a trade exhibition in GuangZhou (China) and observed a "cosmetic product sold in a container bearing three spray nozzles". This, he says, gave him the idea for selling a confectionery product in a new container with two separate compartments and sprays. This was discussed with Mr Kwee, and towards the end of 2005 samples of the prototype product produced. These were displayed on the Pemi Stand at the ISM Exhibition of January 2006 under the brand 'DOUBLE FUN SPRAY'. Mr Kwee was asked to increase the container's capacity from 6ml to 10ml. Exhibit RJH-05 shows the photographs of the product and the display stand at the 2006 ISM Exhibition. Mr Šír says that the redesign of the product incurred costs for Mr Kwee and a "proportion" of the charges were passed on to Mr Šír. The first shipment of the revised product was made on 23<sup>rd</sup> April 2006, slightly less than one month before Mr Šír applied for the Community Design. Exhibit RJH-06 comprises photographs of the DOUBLE SPRAY (being the generic term I shall adopt for the purpose of describing any product which conforms to Mr Šír's Community Design) and also of the ISM Exhibition in 2007.

8. In January 2007, Mr Šír became aware that Mr Kwee had begun offering for sale products "which infringed and/or made unauthorised use of various intellectual property rights of PEMI". He e-mailed Mr Kwee and demanded that such activities cease. Exhibit RJH-07 is a copy of the e-mail and representations of the products marketed under the brand DUO CANDY SPRAY. This e-mail refers to a verbal agreement between the two men to the effect that Mr Kwee would "only and exclusively be engaged in production for our company and you are forbidden to offer and distribute (sell) these products to other clients from Europe, the USA, Canada, Australia and New Zealand." Mr Kwee had, according

to Mr Šír, been offering the DUO CANDY SPRAY to Mr Šír's licensee, BIP Holland BV, which in turn exported the product to the US where it was sold under the trade mark DOUBLE DARE. Exhibit RJH-08 shows further representations of products which Mr Šír says also constituted infringing use of the Design Registrations emanating from Mr Kwee and sold either directly by his company or to third parties under different trade marks:- MULTI SPRAY, 2 SOURS and SQUIRTZ.

9. Mr Šír asserts that Pemi is the true proprietor of the DOUBLE SPRAY and that, by virtue of the act of registering the UK Designs 4001559 and 4001666, Mr Kwee has acted in bad faith.

10. Finally he asserts that comparing the Community Design with the UK Designs, the two are identical, or at the very least, extremely similar.

### **Central's evidence.**

11. This comprises an undated witness statement from Mr Kwee filed under cover of a letter dated 7<sup>th</sup> July 2008. Mr Kwee says that Central are the rightful owners of the Design Right under UK Design Registration 4001559 and 4001666, as it was they who were responsible for the "development" and "paid all the expenses associated" with the DOUBLE SPRAY. Mr Kwee says he worked with his plastic bottle supplier to provide the prototype sample for Mr Šír.

12. Having increased the capacity from 6ml to 10ml an order for about 450,000 units of 'DOUBLE FUN SPRAY' was placed for delivery to Mr Šír between April-June 2006. The first batch was shipped on 26<sup>th</sup> April 2006 and Exhibit A is the invoice for the shipment (The invoice is dated 16<sup>th</sup> October 2005 and is for US \$1,224.00). Exhibit B is the payment slip which is dated 10<sup>th</sup> November 2005 and is for US \$14,700.91). There is no explanation given for the difference in amounts as between the invoice and the payment slip.

13. Mr Kwee says that Mr Šír is not the author of the DOUBLE SPRAY design nor did he incur the development costs. A payment of \$11,500.00 had been made to Central but this constituted a "refundable deposit" to help Central finance the capital investment in buying a suitable mould, and would have been refunded once a target of 10,000,000 units of order had been achieved. Exhibit D shows the Commercial Invoice issued by Central to Rixon ( a company owned by Mr Šír) for the deposit required for the mould to make the DOUBLE SPRAY. Given Mr Šír's anticipated requirements, Mr Kwee said he had reckoned on 10 units of plastic injection moulds. But after the initial order of 450,000 units, Mr Šír never placed any further orders with Mr Kwee, but given the planning and investment already made by Central, he had no option but to market the product on his own.

14. He was not aware that Mr Šír had filed the Community Design until the e-mail was received from him in January 2007. To protect his own right to sales of

the product he decided to register the design in the UK and the applications at issue were duly filed.

### **The scope of the dispute and the relevant legislation**

15. Paragraph 4 of both Pemi's statements of case state expressly that the UK design registrations contravene Section 11ZA(1)(B) of the Act. That is, that the designs are neither new nor have individual character, having regard to the prior art contained in Community Design 000533401-0001. In particular, as is clear from my summary of the evidence, both parties concerned in these proceedings have raised in their evidence matters relating to proprietorship and what is termed 'bad faith' which, in fact, go beyond the critical issue put to me in the statement of case, but I will restrict myself to construing the evidence in the context only of the grounds formally pleaded.

16. The application to register UK 4001666 was made on 15<sup>th</sup> February 2007. The application to register UK 4001559 was made on 9<sup>th</sup> February 2007. This means that the applications were made under the provisions of the Registered Designs Act 1949 as amended by the Registered Design Regulations 2001 ("the Act"). Section 11ZA of the Act provides for a registered design to be invalidated on the ground (section (1)(B) that it was not new or that it did not have individual character. Section (1)(B) reads:

#### **Requirement of novelty and individual character**

- "(1) A design shall be protected by a right in a registered design to the extent that the design is new and has individual character.
- (2) For the purposes of subsection (1) above, a design is new if no identical design whose features differ only in immaterial details has been made available to the public before the relevant date.
- (3) For the purposes of subsection (1) above, a design has individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public before the relevant date.
- (4) In determining the extent to which a design has individual character, the degree of freedom of the author in creating the design shall be taken into consideration.

- (5) For the purposes of this section, a design has been made available to the public before the relevant date if-
- (a) it has been published (whether following registration or otherwise), exhibited, used in trade or otherwise disclosed before that date; and
  - (b) the disclosure does not fall within subsection (6) below.
- (6) A disclosure falls within this subsection if-
- (a) it could not reasonably have become known before the relevant date in the normal course of business to persons carrying on business in the European Economic Area and specialising in the sector concerned;
  - (b) it was made to a person other than the designer, or any successor in title of his, under condition of confidentiality (whether express or implied);
  - (c) it was made by the designer, or any successor in title of his, during the period of 12 months immediately preceding the relevant date;
  - (d) it was made by a person other than the designer, or any successor in title of his, during the period of 12 months immediately preceding the relevant date in consequence of information provided or other action taken by the designer or any successor in title of his; or
  - (e) it was made during the 12 months immediately preceding the relevant date as a consequence of an abuse in relation to the designer or any successor in title of his.
- (7) In subsections (2), (3), (5) and (6) above “the relevant date” means the date on which the application for the registration of the design was made or is treated by virtue of section 3B(2), (3) or (5) or 14(2) of this Act as having been made.
- (8) For the purposes of this section, 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 have individual character –

- (a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the complex product; and
  - (b) to the extent that those visible features of the component part are in themselves new and have individual character.
- (9) In subsection (8) above “normal use” means use by the end user; but does not include any maintenance, servicing or repair work in relation to the product.”

### **The legal principles and case-law**

17. The approach to the comparison of designs was set out by the Court of Appeal in *Procter & Gamble Co. v Reckitt Benckizer (UK) Ltd* [2008] FSR 8. The key points are that:

- a) Where there are differences between the designs, the tribunal must assess the overall impressions created by the designs as wholes.
- b) In order to be valid, a registered design must create a clearly different visual impression from the prior art.
- c) The assessment should be made when the designs are carefully viewed through the eyes of an informed user of the product (or products) in question; imperfect recollection has little role to play.
- d) Smaller differences are sufficient to create a different impression where the freedom for design is limited.
- e) Functional requirements should also be taken into account when assessing the overall impression created by the designs;
- f) The assessment should be made by comparing the impressions created by the designs at an appropriate (not too high) level of generality;

18. In assessing the attributes of the “informed user”, I note the decision of Judge Fysh Q.C. in the Patents County Court in *Woodhouse UK PLC v Architectural Lighting Systems* case [2006] RPC 1 (hereafter, the “Woodhouse” case), where he said:

“First, this notional person must obviously be a *user* of articles of the sort which is subject of the registered design – and I would think, a regular user at that. He could thus be a consumer or buyer or be otherwise familiar with the subject matter say, through use at work. The quality smacks of practical considerations. In my view the informed user is first, a person to whom the design is directed. Evidently, he is not a manufacturer of the articles and both counsel roundly rejected the candidature of “the man in the street”.

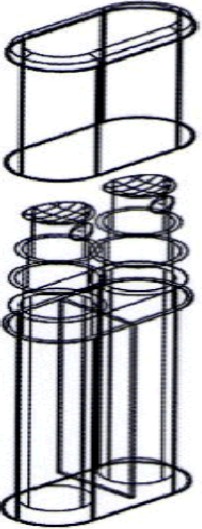
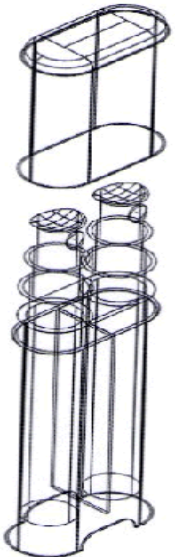
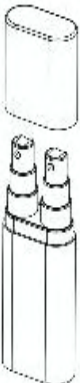
“*Informed*” to my mind adds a notion of familiarity with the relevant matter rather more than one might expect of the average consumer; it imports the notion of “what’s about in the market?” and “what has been about in the recent past?”. I do not think that it requires an archival mind (or eye) or more than an average memory but it does I think demand some awareness of product trend and availability and some knowledge of basic technical considerations (if any).

In connection with the latter, one must not forget that we are in the territory of designs and thus what matters most is the appearance of things; as Mr Davies reminded me, these are not petty patents. Therefore, focus on eye appeal seems more pertinent than familiarity with the underlying operational or manufacturing technology (if any).”

19. I also note that this approach to the matter was subsequently followed by Lewison J. in the High Court in *The Procter and Gamble Company v Reckitt Benckiser (UK) Limited*, [2006] EWHC 3154 (Ch) and later accepted as appropriate by the Court of Appeal.



**The respective designs**

UK Design 4001559	UK Design 4001666	Community Design 000533401-0001
		

20. The above views are selected as the best ‘cut-away’ isometric views taken in respect of the UK designs and the best available view of the Community Design. Other views, available on the respective registers, show the designs from the bottom, side and top perspectives.

**Application of the legal principles**

***The informed user***

21. Before looking at the registered designs and the prior art in more detail, I must firstly assess who the “informed user” is likely to be. All of the registered designs relate to, what I have generically called double sprays, used for dispensing liquid confectionery. The informed user must, as the name suggests, be a user of the items. This person must, therefore, be a consumer or buyer as opposed to an actual designer, manufacturer or some other expert in the field. However, the informed user is not an average or standard consumer (the man in the street), it is instead someone who is likely to have a keen interest in design

matters in this field. Such a person is, therefore, likely to have a keen eye in relation to the design attributes. Such a person will not appreciate a design at a high level of generality, but nor will they make a forensic analysis of each and every detail. The end user for products incorporating the design is likely to be a child but I see nothing which would clearly present a barrier to a child having the requisite attributes being considered an informed user. Alternatively, someone making a purchase on behalf of a child, or a buyer, may also be considered an informed user for our purposes.

### ***The material dates***

22. According to section 1B(7) of the Act, prior art can only be relied on to invalidate a registered designs if it has been disclosed to the public prior to the application date of the registered design. This means that the material dates for my assessment are 9<sup>th</sup> February 2007 in respect of UK Design 4001559 and 15<sup>th</sup> February 2007 in respect of UK Design 4001666, and any prior art must have been made available to the public prior to this date. In this case, the prior art, being Community Design 000533401-0001, was filed on 22<sup>nd</sup> May 2006 and published on 20<sup>th</sup> June 2006. There can be no dispute then that the Community Design constitutes a prior disclosure falling within the terms of Section 1B(5) of the Act.

### ***Conclusions***

23. Mr Kwee, on behalf of Central, has not disputed the claim that the UK designs are not new and neither do they have individual character when compared to the Community Design. He simply advances his account of the proprietorship. In my view, the question of newness and novelty is beyond dispute: both UK design registrations are neither new nor do they have individual character. Their overall proportions and outline shapes are the same as the Community Design registration. The only possible differences that may be detected after close analysis is the shape of the base, which in UK Design 4001666 appears to have an indented appearance, reflecting a concave body to the spray and the head of the spray in the UK designs has a knurled (criss-cross) appearance which is not evident on the Community design. These differences, however, I would regard as only noticeable when conducting a close forensic analysis, and thus the differences are only minor and trivial in nature, not affecting overall appearance.

24. I would add that, without making any comment on the question of proprietorship, it is clear from the history between the parties I have recounted from the evidence, that both parties sought protection for the same design. Given the timing, it is tolerably clear also that both UK designs were filed by Mr Kwee in response to the e-mail dated 23<sup>rd</sup> January 2007 from Mr Šír. That said, the simple fact is that Mr Šír got there first by making the Community Design Registration, and this has effectively rendered the UK registrations invalid. **I conclude then**

**that neither UK Design 4001559 nor 4001666 are new and nor do they have individual character in view of the prior disclosure in Community Design 000533401- 0001.**

25. The conclusion I have arrived at is plainly in relation to the prior disclosure of the Community Design Registration. I would not however wish to ignore the fact that the evidence reveals at least one other instance of possible novelty destroying disclosure, namely that in January 2006 samples of the prototype double spray product were displayed at the ISM Exhibition under the brand 'DOUBLE FUN SPRAY'. It is noted that this is over 12 months prior to the date of application of the UK designs, ie outside the period set by s.1B(6)(e). Exhibit RJH-05 filed by the applicant shows the photographs of the product and the display stand at the 2006 ISM Exhibition. As stated in the evidence summary, the ISM Exhibition takes place in Germany. The evidence further states that this exhibition describes itself as "the largest and most important sweets and biscuits fair in the world." Attention in the evidence is drawn to the ISM website, which says that the exhibition takes place annually in January/February and lasts 4 days. It is a trade fair restricted to wholesalers and major buyers. In connection with this possible disclosure, I note that Art 6(1) of Directive 98/71//EC (transposed into s.1B(5) and 1B(6)(a) of the Act) provides:

" 1. For the purpose of applying Articles 4 and 5 [novelty and individual character], a design shall be deemed to have been made available to the public if it has been published following registration or otherwise, **or exhibited** [my emphasis], used in trade or otherwise disclosed, except where those events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating in the Community, before the date of application for registration or, if priority is claimed, the date of priority. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality."

This has led one commentator to speculate that, "a design published at, eg a major international exhibition in the United States which is attended by businessmen from the EEA will count." (see para 2-30 of *Russell-Clarke and Howe on Industrial Designs, Seventh Edition*, Pub: Sweet & Maxwell 2005). If that is correct for a hypothetical exhibition in the US, I have no doubt that the ISM Exhibition in Germany will likewise count in this case. It is inconceivable given its (albeit self- proclaimed) status that representatives from the specialized circles in the Community would not be present at such an exhibition. **I conclude that unless the prototype version differed substantially from the final version being the subject of the UK design registrations (and the evidence simply points to modifications as to capacity which I do not consider substantial), then, given the claimed status and location of the ISM Exhibition of January 2006, this too must destroy the novelty in the UK design registrations.**

26. I do not propose to go any further into enquiring as to other possible acts of novelty destroying disclosure taking place which may, eg have resulted from the placing on the market of the first shipment of double sprays in April 2006 as I do not have enough information as to if, when, and in what circumstances those goods were actually placed on the market.

**27. In view of my findings above I declare that, with effect from the date of this decision, UK Design Registrations 4001559 and 4001666 are invalid.**

### **Costs**

28. Pemi are entitled to a contribution towards its costs, it having filed two statements of case, paid official fees (£50 each), and filed evidence. I consider that a contribution towards its costs of £700 per case would be appropriate. This makes a total of £1400. The figure is derived from the scale of costs applicable in trade marks cases (see TPN 4/2007).

29. I hereby order Central Vista (M) SDN BHD to pay Pemi Trade s.r.o the sum of £1400.

30. The above sum should be paid within one month of the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 18<sup>th</sup> day of May 2009**

**Edward Smith  
For the registrar  
The Comptroller-General**