

O-565-14

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

REGISTERED DESIGN No. 4012141

IN THE NAME OF MARION GIGLIO

AND

APPLICATION No. 51/13 TO INVALIDATE THE REGISTERED DESIGN

BY KOBELL LTD

The claims and the counterstatement

1. The registered design the subject of these proceedings was filed by Ms Marion Giglio on 12 August 2009. The design was registered on 5th October 2009. The design is depicted below:



2. The application form identified the relevant product as a bag.
3. The proprietor disclaims any right to the “*colour and pattern*” shown on the design.
4. On 25 November 2013, Kobell Ltd applied for the invalidation of the design registration. The applicant claims that the relevant design was applied to bags which predate the design registration and that the applicant itself has been supplying “*a product almost identical in look and feel since the early 1990s*”. In this connection, the applicant provided copies of three pages from a Suzo Happ catalogue dated 2006/2007 apparently showing the use of rectangular coin bags similar in shape and configuration to the registered design.

5. On 25 February 2014, a counterstatement was filed by IP Lab Ltd on behalf of the proprietor of the registered design. The counterstatement denied the documents filed with the counterstatement showed use of the registered design in 2006/2007 because:

- The representations of the coin bags provided by the applicant were not clear enough;
- The pages showing articles made to similar designs were not necessarily from the same catalogue as the front page showing the date 2006/07;
- The catalogue in question is a third party publication: the applicant hadn't provided any evidence to support its claim to have supplied articles almost identical to the design since the 1990s.

The evidence

6. The applicant's evidence consists of two witness statements by Stevie Maclane of Kobell Ltd. Mr Maclane says that products made to "the design" were first supplied by his company in 1996. He provided a picture of Kobell's design¹ and various exhibits intended to support his claim that products made to that design had been sold in the UK for decades. The Kobell product is a rectangular coin bag, like the product for which Ms Giglio's design is registered. The relative length and width of the Kobell product is similar to the proportions of the registered design. However, the Kobell bag has less obviously folded seams than the registered design. Further, the Kobell bag has a single (as opposed to a double) line of stitching.

7. Mr Maclane says that Ms Giglio sells a coin bag that is virtually identical to the Kobell bag, but this is irrelevant because the relevant comparison is between the registered design and any earlier design.

8. Mr Maclane also says that Ms Giglio has prevented the sale of Kobell's bags on eBay by having its listings removed under eBay's take down service to holders of intellectual property rights.

9. The proprietor filed no evidence herself. However, a witness statement was filed on her behalf by her attorney, David Evans of IP Lab Ltd. Mr Evans provides evidence about:

- i) The timing of Kobell's change of registered office in the late 1990s;
- ii) The registration only in 1999 of a domain name shown on an invoice from Kobell's supplier of bags, which is supposedly dated 1996;

¹ Exhibit S12

- iii) Three screen shots from the front pages of the applicant's website as it looked in December 1999, August 2001 and April 2005, none of which show that the applicant traded in coin bags.

10. This evidence (and accompanying written submissions) was intended to undermine Kobell's case that it had been trading in coin bags of the kind perceived to be in dispute "for decades".

11. In response to Mr Maclane's evidence about Ms Giglio's use of eBay's take down service, Mr Evans submitted that:

"The proprietor in this case has merely asserted her registered design rights in respect of items that have been placed on sale on eBay and which appear to be similar or substantially the same as her registered rights."

12. Mr Maclane's second witness statement provided some explanations for the apparent inconsistencies in his original statement. Further, as the authenticity of the pages from the 2006/2007 Suzo catalogue had been disputed, Mr Maclane offered to provide an original copy of the catalogue at the substantive hearing.

13. As neither side subsequently asked to be heard, I wrote to Mr Maclane on 9 October 2014 directing him to file an original copy of the pages from the Suzo catalogue, which he subsequently did. Accurate photographs of the part of the relevant page in the catalogue showing the coin bags were subsequently sent to Mr Evans, as Ms Giglio's agent, and he was invited to comment on them after inspecting the original catalogue, if he so wished. Mr Evans subsequently inspected the document at the IPO's office in London.

14. I subsequently received a written submission from Mr Evans in which he contended that the registered design is new and has individual character compared to the design shown in the Suzo catalogue of 2006/2007 by virtue of the fact that the registered design:

- i) Has seams which are folded and stitched on the outside [of the seams],and
- ii) Has stitching on the corners of the bag at an angle of 45 degrees [to the sides].

15. I noted Mr Maclane's statement that Ms Giglio had previously claimed that the Kobell bag and the Suzo bag infringed her design rights, but that neither of these designs appears to include the features described above.

16. I also noted that Mr Evans had stated his client had *“asserted her registered design rights in respect of items that have been placed for sale on eBay”*.

17. I therefore wrote to Mr Evans saying that whilst I would make my own assessment as to whether the contested registered design was new at the time of filing (12 August 2009), it would help me to understand whether the proprietor had changed her view as to whether the presence or absence of the features described above is material, or whether her use of eBay’s VeRo program (take down service) related to a different registered design and, if so, which design.

18. I received a written response from Mr Evans which stated that he was not aware of the details of his client’s use of the eBay VeRo service and did not consider that to be relevant to the matter at hand.

The relevant legislation

19. Section 1B of the Act (so far as it is relevant) reads:

“(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) -

(c) -

(d) -

(e) -

(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)--”

Was the registered design new and possessed of individual character at the relevant date?

20. The registered design does not cover the colour and pattern shown in the representation of the design on the register. However, although it seems odd to have left the matter unclear if the stitching lines were considered important to the novelty of the design, I do not consider that the disclaimer extends to the design of the seams or the stitching shown. Consequently, these features must be taken into account in any comparison with the prior art.

21. The application form identifies the product as “a bag”. However, it seems to be common ground that the relevant product is a coin bag.

The prior art

22. The applicant’s case is based on the design of coin bags that it claims to have used for many years. However, the exact design of these bags is not clear from the evidence. I will therefore focus on the design of the coin bag shown in the Suzo catalogue from 2006/2007. I have no doubt that the designs in question were published at that time. The design is shown below.



23. It is possible to see from close examination of the top (green) coin bag that the bag has seams and a single line of visible stitching running down the vertical side of the bag. As colour forms no part of the registered design, the colours of the bags making up the prior art must be left out of the comparison with the registered design.

24. The relevant case law was conveniently set out by Birss J. in paragraphs 31 to 59 of his judgment in *Samsung v Apple*². The most relevant parts are re-produced below.

“The informed user

33. The designs are assessed from the perspective of the informed user. The identity and attributes of the informed user have been discussed by the *Court of Justice of the European Union in PepsiCo v Grupo Promer (C-281/10P) [2012] FSR 5* at paragraphs 53 to 59 and also in *Grupo Promer v OHIM*

² [2012] EWHC 1882 (Pat)

[2010] ECDR 7, (in the General Court from which PepsiCo was an appeal) and in *Shenzhen Taiden v OHIM*, case T-153/08, 22 June 2010.

34. Samsung submitted that the following summary characterises the informed user. I accept it and have added cross-references to the cases mentioned:

i) He (or she) is a user of the product in which the design is intended to be incorporated, not a designer, technical expert, manufacturer or seller (*PepsiCo* paragraph 54 referring to *Grupo Promer* paragraph 62; *Shenzen* paragraph 46).

ii) However, unlike the average consumer of trade mark law, he is particularly observant (*PepsiCo* paragraph 53);

iii) He has knowledge of the design corpus and of the design features normally included in the designs existing in the sector concerned (*PepsiCo* paragraph 59 and also paragraph 54 referring to *Grupo Promer* paragraph 62);

iv) He is interested in the products concerned and shows a relatively high degree of attention when he uses them (*PepsiCo* paragraph 59);

v) He conducts a direct comparison of the designs in issue unless there are specific circumstances or the devices have certain characteristics which make it impractical or uncommon to do so (*PepsiCo* paragraph 55).

35. I would add that the informed user neither (a) merely perceives the designs as a whole and does not analyse details, nor (b) observes in detail minimal differences which may exist (*PepsiCo* paragraph 59).

Design freedom

40. In *Grupo Promer* the General Court addressed design freedom in paragraphs 67-70. In *Dyson* Arnold J. summarised that passage from *Grupo Promer* as follows:

“design freedom may be constrained by (i) the technical function of the product or an element thereof, (ii) the need to incorporate features common to such products and/or (iii) economic considerations (e. g. the need for the item to be inexpensive).”

Effect of differences between the registered design and the design corpus

51. Apple drew my attention to paragraph 74 of the judgment of the General Court in *Grupo Promer* in which the Court agreed with the ruling of the Board of Appeal that:

“as regards the assessment of the overall impression produced by the designs at issue on the informed user, the latter will automatically disregard elements ‘that are totally banal and common to all examples of the type of product in issue’ and will concentrate on features ‘that are arbitrary or different from the norm’.”

52 Apple submitted that this showed that a design feature need not be unique to be relevant. It is only disregarded if it is totally banal. Thus, Apple submitted, for a feature to be relevant it merely needs to differ from the norm and by logical extension, the greater the difference from the norm, the more weight to be attached to it. The point of this submission is to challenge the manner in which Apple contended Samsung was advancing its case. I do not think Apple's characterisation of Samsung's case was entirely accurate but in any case I accept Apple's submission on the law at least as follows. The degree to which a feature is common in the design corpus is a relevant consideration. At one extreme will be a unique feature not in the prior art at all, at the other extreme will be a banal feature found in every example of the type. In between there will be features which are fairly common but not ubiquitous or quite rare but not unheard of. These considerations go to the weight to be attached to the feature, always bearing in mind that the issue is all about what the items look like and that the appearance of features falling within a given descriptive phrase may well vary.

The correct approach, overall

57. The point of design protection must be to reward and encourage good product design by protecting the skill, creativity and labour of product designers. This effort is different from the work of artists. The difference between a work of art and a work of design is that design is concerned with both form and function. However design law is not seeking to reward advances in function. That is the sphere of patents. Function imposes constraints on a designer's freedom which do not apply to an artist. Things which look the same because they do the same thing are not examples of infringement of design right.

58. How similar does the alleged infringement have to be to infringe? Community design rights are not simply concerned with anti-counterfeiting. One could imagine a design registration system which was intended only to allow for protection against counterfeits. In that system only identical or nearly identical products would infringe. The test of “different overall impression” is clearly wider than that. The scope of protection of a Community registered design clearly can include products which can be distinguished to some degree from the registration. On the other hand the fact that the informed user is particularly observant and the fact that designs will often be considered side by side are both clearly intended to narrow the scope of design protection. Although no doubt minute scrutiny by the informed user is not the right approach, attention to detail matters.”

25. As regards the point covered by paragraph 58 above, I note that the Act requires a design to be both new and to have individual character. A design is new if it differs

in material details from previous designs. Thus a design may be new because it differs in material details compared to previous designs, but may still fail to create a different overall impression compared to previous designs, and therefore to lack the necessary individual character.

26. As regards design freedom, it is no doubt possible for a coin bag to come in many shapes, but given their utilitarian purpose economic considerations probably dictate that the design is a simple one. A bag closed on three sides and open on the fourth side meets this requirement because it can be made cheaply, either from a single piece of material folded over and stitched along the joining vertical side and along the bottom, or by stitching two rectangular pieces of material together on three sides. In order to retain the coins it is better that the opening (top) side is shorter than the vertical sides. Thus a rectangular shape is particularly suitable. And even within the partial economic restraint of a rectangular shaped bag, there is considerable freedom to vary the relative lengths of the shorter sides of the bag to the longer sides. In this connection, I note that the bags depicted in the registered design and in the prior art have vertical sides approximately 1.5 times the length of the horizontal sides. An informed user of coin bags would notice this feature of the bags because of the impact it has on the overall shape of the bag.

27. Neither party has (quite rightly) suggested that seams and/or stitching *per se* are novel features for coin bags. Everyday experience of all types of bags tells one otherwise. I therefore regard the more pronounced seams of the bag depicted in the registered design, the double line of stitching on those seams (as opposed to a single line of stitching in the prior art) and the small additional reinforcing stitching in three of the corners of the registered design, to be very minor details from a design perspective with very little visual impact.

28. It is possible that an informed user would register the detailed differences described in paragraph 27. However, even allowing for the relatively high level of attention to detail paid by an informed user of coin bags, I find that these minor differences would be insufficient to prevent the designs at issue creating the same overall impression on such a user. I therefore find that the registered design had no individual character at the relevant date in 2009.

Conclusion

29. The registered design is invalid and, subject to appeal, will be cancelled.

Costs

30. I invited the parties to make submissions on costs. The applicant asks for £7500 in costs, mainly to cover the damage suffered as a result eBay closing its account on

the basis of complaints from the proprietor about infringements of her intellectual property rights.

31. The registrar has no power to award damages. The registrar's powers are set out in Rule 22 of the Registered Designs Rules 2006 as follows:

“The registrar may, in any proceedings before him under the Act, award to any party by order such costs as he considers reasonable and direct how and by what parties they are to be paid.”

32. Therefore costs may be awarded only to cover the cost of bringing these proceedings. Costs are normally awarded on a contribution (as opposed to compensatory) basis. I see no reason to depart from that approach here. The applicant submits that the proprietor registered a design that she knew was not new. However, although I have some sympathy with that submission, I do not think that the applicant has established it as fact. The applicant acted as a litigant in person throughout. Therefore the applicant's costs are likely to have been limited in any event.

33. I therefore order Ms Marion Giglio to pay Kobell Ltd the sum of £400. This is made up of:

£50 to cover the official filing fee for the application for invalidation;
£60 to cover 3 hours work preparing and filing that form;
£200 to cover 10 hours work preparing evidence and considering the proprietor's evidence;
£90 to cover 4.5 hours work responding to written submissions on points that would normally have been covered at a hearing.

34. Subject to appeal, the above sum should be paid within 14 days of the end of the period allowed for appeal or, if there is an appeal, within 14 days of the conclusion of those proceedings.

Dated this 24th Day of December 2014

**Allan James
For the Registrar**