

## **O-391-18**

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

**IN THE MATTER of Registered Design No. 4033752 in the Name of  
Truscott Terrace Holdings LLC**

**and**

**APPLICATION TO INVALIDATE (No. 7/16) by System Products UK  
Limited**

### **INTERIM DECISION**

1. This is appeal from decision O-544-17 dated 27 October 2017 by the Hearing Officer (Mrs Judi Pike) acting for the Registrar of Designs, which rejected an attack of lack of novelty against registered design No. 4033752, holding that the Applicant (the Appellant on this appeal) was estopped as a result of previous proceedings from bringing that attack.

#### **General principles on referring an appeal to the High Court**

2. This is an interim decision dealing with a request made under section 27A(2)(c) of the Registered Designs Act 1949 that I should refer this appeal to the High Court. Section 27A(2) reads:

“(2) On an appeal under this section to an appointed person, the appointed person may refer the appeal to the court if-

- (a) it appears to the appointed person that a point of general legal importance is involved,
- (b) the registrar requests that the appeal be so referred, or

(c) such a request is made by any party to the proceedings before the registrar in which the decision appealed against was made.”

3. In common with the other statutory provisions relating to appeals to an Appointed Person in registered designs cases, that subsection was modelled on the corresponding provision relating to appeals to Appointed Persons in trade mark cases, section 76(3) of the Trade Marks Act 1994.
4. In *Ahmet Erol's Registered Designs* (O-253-17), which was the first decision of an Appointed Person under the new appeal regime for designs created by the Intellectual Property Act 2014, I indicated that unless there is a relevant difference between substantive designs law and trade mark law which justifies a different approach, or some other specific and concrete reason, the Appointed Persons for designs appeals will follow and apply the established practice and procedural decisions of the Appointed Persons in trade mark appeals.
5. I can see no reason why the approach under section 27A(2) in designs appeals should be any different from the approach under section 76(3) in trade mark appeals.
6. In *AJ and MA Levy's TM (No 2)* [1999] RPC 358, the appointed person Mr Matthew Clarke QC granted a request by the Registrar that the appeal be referred to the High Court. The Registrar submitted that the appeal raised an important point of law under section 46(1) of the Trade Marks Act 1994 which would affect the way in which the Registrar would deal with other cases where non-use was established. The appellant resisted referral to the High Court. At p360 lines 16-29, Mr Clarke said:

"On my reading of [section 76(3)], even if the appointed person himself did not consider that a point of general legal importance is involved, he may refer the appeal to the Court where a request is made by either the Registrar or one or the parties, after he has heard representations relating thereto. Having said that, I am firmly of the view that the power to refer under section 76 should be used sparingly, otherwise the clear object of the legislation to provide a relatively inexpensive, quick and final resolution of appeals by a specialist tribunal would be defeated. Moreover, I am of the opinion that it will normally be a matter of particular significance if the registrar requests the Appeal to be referred because he considers that it raises a point of general legal importance".

7. In *ACADEMY TM* (O-135-99), Mr Simon Thorley QC refused a request by the respondent to an appeal for the appeal to be referred to the High Court. After indicating that he had gained assistance from some of the observations in Mr Clarke's decision and quoting the passage which I have just quoted, Mr Thorley went on to add his own observations:

"13. I accept and intend to apply the principles set out by Mr. Clarke. Whilst it is not essential for a reference that a point of general legal importance is identified, the power to refer should be used sparingly and I anticipate that it will be rare in the extreme that a reference is made in circumstances where a point of general legal importance cannot be identified. The attitude of the Registrar is important but not decisive. The Registrar's officers have considerable day to day experience in matters relating to trade mark registrations and applications for revocation. Their views as to whether a particular point is a point of general legal importance should be given great weight.

14. So also should consideration be given to the views of the party not seeking to refer. The relative importance of cost and expense to that party should be taken into account. Where that party is a large corporate entity, the necessary cost and expense of legal advisers is, perhaps, of less significance than in the case where the party in question is an individual or a small company or partnership which has not gone and does not wish to go to the expense of employing legal advisers.

15. Finally I believe it is proper to have regard to the public interest. There are plainly two conflicting public interests. One is the public interest in having the uncertainty of a pending application for a trade mark or a pending application for revocation disposed of finally at

the earliest possible date, so that not only the parties but rival traders may know the state of the Register, but, equally, there is a public interest that important points of law are decided by the higher courts.”

### **The request to refer in this appeal**

8. On 27 March 2018, the solicitors for the Appellant wrote requesting me to refer this appeal to the Court. They pointed out that the Hearing Officer in the decision under appeal had indicated that the registration in suit does de facto lack novelty, so that if the appeal fails a design which is objectively invalid will be left on the register. They argued that the issue in the appeal is not only a matter of law but a matter of public interest.
9. In its response dated 18 April 2018, the Respondent not unnaturally objected to the change of position by the Appellant, which had chosen to bring this appeal before the Appointed Person rather than the Court, but had now changed its mind. The response went on to contend that this appeal formed part of “a tsunami of litigation” which has been brought by the Appellant and its associated person against the Respondent and its owners, that a transfer to the High Court would add to the costs burden on them, and that the possibility of a further appeal from the High Court to the Court of Appeal would go against the public policy issue that there should be finality in litigation.
10. Although it is unusual to say the least for an appellant who has elected to appeal to the Appointed Person to change its mind and ask for a transfer of the appeal to the High Court, I do not consider that that bars a transfer being made or indeed that it is a particularly strong factor

against a transfer if there are good grounds for making it. The fact that the appellant has been somewhat tardy in realising that those good grounds exist may not really matter, particularly if those grounds are based on public interest considerations. If costs have been caused to the respondent by the appellant's unnecessary detour into an Appointed Person appeal followed by a procedural application to transfer that would not have been necessary if the appeal had been brought to the High Court in the first place, then the respondent could be compensated with an appropriate order for payment of the wasted costs.

11. However, the issues of relative cost and of earlier finality of outcome in an appeal to the Appointed Person are important factors weighing against a transfer to the High Court. I should make clear that I disregard at this stage, when I have not yet heard the parties on the merits of the appeal, the Respondent's wider allegations about other litigation brought by the Appellant or persons associated with it.
12. As Mr Thorley QC made clear in the passage I have cited above, it will be rare that a transfer of an appeal will be made to the High Court where a point of general legal importance cannot be identified. The Appellant's request does not specifically identify any such point, but treats the outcome of the Hearing Officer's decision on the application of estoppel as if it were a point of law. However, the Notice of Appeal contends on a number of grounds that the Hearing Officer went wrong in applying well known legal principles, including the rule in *Henderson v Henderson*, to the facts of this case, rather than challenging her decision on an identifiable discrete point of law.

13. The fact that an estoppel might have the effect of shielding a registered right from revocation in circumstances where that right is objectively speaking invalid is an inherent possibility in the application of doctrines of estoppel or *Henderson v Henderson* abuse of process to claims of invalidity. While it might produce the apparently anomalous result that an invalid registration could be left on the register, I see little prospect of that invalid registration being successfully enforced against an unrelated third party given the public nature of the Hearing Officer's decision.
14. In conclusion, I do not consider that the points raised by the Appellant outweigh the Respondent's interest in cheaper proceedings that are likely to produce earlier finality if the appeal proceeds in front of me.
15. This application may have generated some costs in its own right. If either of the parties wishes to ask for an order other than that the costs of this application form part of the general costs of the appeal, that party should notify the other party of its desired costs order at least 7 days before the date for exchanging skeleton arguments on the appeal. I will then deal with any such application as part of the arguments at the substantive appeal hearing.

**Disposition**

- (1) I decline to transfer the appeal to the High Court.
- (2) The costs of this request to transfer are reserved to the substantive hearing of the appeal.

Martin Howe

Martin Howe QC  
Appointed Person (Designs)  
21 June 2018