

O/798/18

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

REGISTERED DESIGN No. 5004339

OWNED BY KAILIJUMEI LIMITED

AND

APPLICATION No. 08/17 BY EGIDIJUS SIPAVICIUS

TO INVALIDATE THE REGISTERED DESIGN

The claims and the counterstatement

1. The registered design the subject of these proceedings was filed by Agnieszka Mazurek on 6th August 2016. The design was subsequently registered with effect from that date. The design is depicted in the following representations, which include the accompanying wording shown on the register.



Perspective View
No claim is made for the colours or materials shown
Protection is sought for all component parts



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Perspective View
No claim is made for the colours or materials shown
Protection is sought for all component parts

2. The application form confirms that the design is for a “*Jelly lipstick with flower inside stick.*”

3. The registered design was assigned to Kailijumei Limited with effect from 27th September 2016.

4. On 19th April 2017, Egidijus Sipavicius (“the applicant”) applied for the registration of the design to be declared invalid. He claims that:

- (i) The design is not new;
- (ii) The design was in the public domain and widely used by many traders around the world at the date of the application to register it as a design;
- (iii) The “*design is made by Kailijumei China lipstick company*”;
- (iv) The contested design is a copy of that original design;
- (v) The applicant has been selling articles embodying the design from suppliers in China prior to the date that the contested design was registered;
- (vi) The design was registered to “*maliciously control sole share of the rights and trade of the product that is made by someone else in China.*”

5. Attached to the application for invalidation is a copy of a listing from eBay which appears to show that articles embodying the contested design were made available for sale in the UK on 31st July 2016, i.e. 6 days before the application was made to register the design. The applicant says that the pages from eBay are from the sales page of his own eBay account.¹ I note that the lipsticks shown bore the trade mark ‘Kailijumei’.

6. The applicant claims that the contested design should be declared invalid and cancelled under section 11ZA(1)(b) of the Registered Designs Act 1949 (as amended) (“the Act”).

¹ This is not self-evident from the pages themselves.

7. The proprietor filed a counterstatement denying the ground for invalidation. According to the counterstatement, the prior disclosure identified in the application was made by Agnieszka Mazurek, the exclusive distributor of Kailijumei products in the UK. The proprietor says that;

- (i) The design was shown during the 'grace period';
- (ii) The design was also shown in other countries, including USA, France, Germany & China;
- (iii) There is an agreement dated 3rd June 2015 through which "*the factory Guangzhou Feng Bi Cosmetics Co., Ltd from China began the production with such design.*"

8. Section 1B of the Act is as follows:

"1B 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 or no 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 conditions 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 period of 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 to 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.”

9. The 'grace period' referred to in the counterstatement appears to be a reference to the period of 12 months prior to the date of the application for registration mentioned in sub-sections 6(c) and (d) of s.1B of the Act. In other words, the proprietor claims that the disclosure identified by the applicant does not count because Agnieszka Mazurek was responsible for that disclosure during the 'grace period'.

Representation

10. The applicant was originally represented by a firm of solicitors in Northern Ireland. However, subsequent to the filing of the application he has not been legally represented. The proprietor is not legally represented either. Neither side asked to be heard. However, I have received written submissions from both parties. I have taken these into account.

The evidence

11. Both sides filed evidence. The applicant's evidence-in-chief consists of an affidavit by himself with 8 exhibits. These show that products embodying the contested design were publicised on various websites during June and July 2016. Most, if not all, of these disclosures appear to have been on US websites (the price of the goods is shown in US\$). The goods discussed in these publications were described as Kailijumei products. The goods shown carried the trade mark Kailijumei. Some of the articles in these publications referred to the Kailijumei company as being based in China, or the Kailijumei brand being based there.

12. The disclosures show Kailijumei lipsticks alongside the lipstick holders, as in the contested design. Apart from the addition of the Kailijumei trade mark, there is no doubt that the products shown in the disclosures correspond to the contested design.

13. Although most of the disclosures identified in the applicant's affidavit appear to have occurred in the USA, they indicate that Kailijumei lipsticks embodying the contested design had a real impact on the market. One article says that the lipsticks

at issue were being widely discussed on social media sites.² Another entitled 'People are freaking out over this flower jelly lipstick' describes the lipsticks as "*the latest obsession-worthy product*". I accept that these publications on US websites could reasonably have become known in the normal course of business to persons carrying on business in the European Economic Area and specialising in the sector concerned. In any event, the applicant's own disclosure of the same design on eBay is sufficient to remove any doubt that the contested design had been available to the relevant public in the EEA prior to the date of the application for registration. All the disclosures identified fall within the period of 12 months prior to the date of the application to register the design. They therefore fall within the 'grace period' set out in s.1B(6)(c) and (d) of the Act.³

14. The only live issue in the case is therefore whether the design was made available to the public by the designer, his successor, or in consequence of actions taken by such a person.

15. The disclosure of the design in the UK does not appear to have been by Kailijumei Limited. Indeed, this company was not incorporated until 30th August 2016, i.e. after the date of the application to register the design. The proprietor's case is that the disclosures of the design identified by the applicant were made in consequence of the actions of Agnieszka Mazurek and with the consent of the owner of the Kailijumei trade mark, which it claims is Chen Ruili in China.

16. In support of this claim, the proprietor filed a witness statement dated 15th May 2018 by Cesary Bielawski, who is the Managing Director of Kailijumei Limited. According to Mr Bielawski, Agnieszka Mazurek (the applicant for registration and first holder of the UK registered design) and Chen Ruili signed a design licence and an exclusive distribution agreement on 1st April 2016. He exhibits a copy of this agreement in English.⁴ However, apart from showing that it was an exclusive distribution and licence agreement signed by Chen Ruili and AM Trading Agnieszka

² See exhibit 2 to the applicant's affidavit

³ I have noted that the agreement between Chen Ruili and Guangzhou Feng Bi Cosmetics Co., Ltd to produce products according to the design is dated more than 12 months prior to the relevant date. However, there is no evidence that this led to any public disclosure of the design more than 12 months prior to the relevant date.

⁴ See exhibits 1 and 4 to Bielawski WS 1

Mazurek⁵ on 1st April 2016, everything else has been redacted. Consequently, it does not show what was licensed, or where. Mr Bielawski says that this is because the terms of the contract are strictly confidential.

17. Mr Bielawski also exhibited a copy of a brand licensing contract between Chen Ruili and Guangzhou Feng Bi Cosmetics Co.,Ltd.⁶ This identifies Chen Ruili as the owner and licensor of the Kailijumei trade mark and authorises Guangzhou Feng Bi Cosmetics Co.,Ltd to use the trade mark in relation to cosmetics. Again, large parts of the document have been redacted. Consequently, it is not clear when the agreement was made or which territories it covers.

18. In reply, the applicant filed submissions on 8th July 2018 in which it denied that any of the documents filed by the proprietor are “*making you the design creator.*” The applicant further claimed that the format of the exclusive distribution agreement in evidence was based on a sample template from the website business-in-box.com, which was only created in 2018. Accordingly, the applicant challenged the authenticity of the proprietor’s documents, as well as their relevance.

19. The proprietor filed further evidence in the form of a further witness statement by Mr Bielawski. In response to the applicant’s claim that the 2016 exclusive distribution agreement was created in 2018 for these proceedings, Mr Bielawski pointed out that the same agreement was used in UK trade mark opposition 407837 in 2016. He therefore denied that it was concocted for these proceedings.

20. As to the applicant’s claim that none of the documents in evidence showed that the registrant was the design creator, Mr Bielawski filed a copy of an addendum to the 2016 exclusive distribution and licence agreement dated 4th April 2016.⁷ This is in English. It states that “*The Licensee (i.e. AM Trading Agnieszka Mazurek) has provided information and permission to use photography, animation, all visual designs, visual elements, graphic designs, illustration on the basis of a contract to disclosures made to test the product on the market (for example through advertising*

⁵ Which I understand is Ms Mazurek’s company.

⁶ See exhibits 2 and 3 to Bielawski WS 1

⁷ See exhibit 2 to Bielawski WS 2

campaigns or presentations to the specialist press, social media or potential buyers).” The term “*graphic designs*” is cross referenced to a representation of the lipstick design which is the subject of these proceedings. Mr Bielawski says that this is one of many annexes and addendums to the 1st April 2016 agreement and that he has received permission to ‘declassify’ this one.

21. Mr Bielawski also filed a copy of an undated document in which Chen Ruili and Guangzhou Feng Bi Cosmetics Co.,Ltd authorise AM Trading Agnieszka Mazurek to take certain actions to protect the Kailijumei trade mark at the UK IPO.⁸ However, the document is redacted to such an extent that it is not clear what these actions were. It therefore does no more than confirm the impression that these parties were collaborating with each other.

Decision

22. The evidence filed with the Registrar is often less than perfect. That is certainly true here. The clarity of the evidence and of the parties’ positions (particularly that of the proprietor) has been further hampered by the fact that English does not appear to be their first language. I have therefore had to make the best I can of the written arguments and evidence before me in order to make this decision.

23. The applicant disputes that Agnieszka Mazurek is the designer of the contested design. I acknowledge that the proprietor’s evidence could be clearer in this respect. However, I note that s.17(8) of the Act states that:

“The register shall be prima facie evidence of anything required or authorised to be entered in it and in Scotland shall be sufficient evidence of any such thing.”

24. Agnieszka Mazurek was the applicant for registration and was entered in the register as the first owner of the design. No one has challenged that entry on the basis that he or she was the real designer. The applicant has not identified anyone

⁸ See exhibit 3 to Bielawski WS 2

else as being the real designer. He simply says that the current proprietor has not proved that it was Agnieszka Mazurek. In this connection, the applicant points out that goods embodying the contested design carried the Kailijumei trade mark. However, that does not show who designed the products. It is quite normal for goods carrying mark X to have been designed by party Y. In the absence of evidence which casts serious doubt on the entry in the register, I do not think that the applicant has done enough to disturb the *prima facie* presumption that Agnieszka Mazurek was entitled to make the application for registration and to be entered as the design right owner. In the absence of any alternative claim, she is therefore entitled *prima facie* to be considered as the designer, or at least as a successor in title to the designer, for the purposes of s.1B(6)(c) and (d) of the Act.

25. This finding is consistent with the addendum to the exclusive distribution and licence agreement between Chen Ruili and AM Trading Agnieszka Mazurek. This states that the latter has given the former permission to use a design corresponding to the contested lipstick design for advertising purposes, etc. This suggests that the design concerned belonged to AM Trading Agnieszka Mazurek whilst the Kailijumei trade mark, under which products embodying the design were to be marketed, belonged to Chen Ruili.

26. Given that each of the prior disclosures of the contested design identified by the applicant bore the trade mark Kailijumei, I infer that these disclosures were made by, or with the consent, of the owner of that trade mark. The brand licensing contract between Chen Ruili and Guangzhou Feng Bi Cosmetics Co.,Ltd also identifies Chen Ruili as the owner of the Kailijumei trade mark (and Guangzhou Feng Bi Cosmetics Co.,Ltd as the manufacturer of the products).

27. If I am right so far, this means that the contested design was disclosed by Chen Ruili, Guangzhou Feng Bi Cosmetics Co.,Ltd and/or by AM Trading Agnieszka Mazurek with the consent of the designer, Agnieszka Mazurek. Consequently, the disclosures fall within s.1B(6)(d) of the Act and do not therefore count as novelty-destroying disclosures under s.1B(5) of the Act.

Outcome

28. The application for invalidation fails.

Costs

29. As neither side is professionally represented the Registrar wrote to the parties on 14th September 2018 inviting them to complete a costs pro-forma showing how much time they spent on these proceedings. The letter advised that failure to complete the pro-forma would mean no award of costs, except for compensation for any official fees. The applicant completed and returned the pro-forma. The proprietor did not. So far as I can see, the proprietor has not paid any official fees in connection with these proceedings. I therefore decline to make a costs award.

Dated this 13th Day of December 2018

**Allan James
For the Registrar**