DESIGN TRADE MARKS OR TRADE MARK DESIGNS
RECENT CASE LAW AND THE OFFICE’S RESPONSE

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Between May 2011 and May 2012, eight judgments reviewing OHIM decisions on Registered Community Designs (RCD) have been handed down by the European Courts in Luxembourg. The Court of Justice (ECJ) has rendered two judgments one on substantive issues and one on procedural matter. The General Court (GC) has taken five. One judgment dealt with purely procedural issues and the other four with substantive matter. In as much as substantive design law was applied, the judgments of the ECJ and the GC dealt with questions of disclosure (Art. 7 CDR), the designer’s freedom in developing the design (Art. 6 (2) CDR), the informed user and its level of attention (Art. 6 (1) CDR), the issue of visibility of parts of complex products (Art. 4 (2) CDR) and the overall impression (Art. 6 (1) CDR). In two cases the European Courts finally annulled the Boards of Appeal. Mid May 2012 10 further proceedings were pending against decisions of the Boards of Appeal raising questions of substance: Art. 3¹, 4-9², 25(1) (b), (c)³, (d)⁴, (e)⁵, (f)⁶, 28 (1)(b) (iii)⁷, 61(6) and 62 CDR.

The Boards of Appeal until mid-May have taken some 203 decisions in design matters. Until 2008 they had taken 84 decisions of which 39 annulled the decision of the Invalidity Division. In 2009, 47 decisions were handed down by the Boards. 11 annulled the first instance decision (23%). In 2010 the Boards took 26 decisions in design cases and annulled 6 of the decisions of the Invalidity Division (23%). In 2011, 30 decisions were handed down which fully or partly annulled the Invalidity Division 11 times (37%). So far in 2012 the Boards annulled the first instance 9 times out of the 16 cases which have been decided (56%). Overall, this is an annulment rate of 37%, not an unusual development in a fairly young area of law. The increase over the last two years should not be overstated, since very few appeals have been filed, whereas the Invalidity Division has taken substantially more decisions, 528 only during 2010 and 2011.

OHIMs Invalidity Division has taken more than 700 invalidity decisions by now and at present some 503 proceedings are pending. Further clarification of the Community Design law will thus gradually be made available.

Without doubt, there continue to be a number of questions unresolved such as the imperfect recollection of the informed user, the use of designs on specific products and last but not least the notion of “features of appearance of a product which are solely dictated by its technical function” (Article 8(1) CDR). The presentation shall focus on this issue. A collection of relevant case law of the Boards of Appeal and the Court of Justice follows.

¹ T-231/10.
² T-83 and 84/11, T-666/11, T-55/12.
³ T-68/11, T-608/11.
⁴ T-666/11.
⁵ T-666/11.
⁶ T-608/11, T-666/11 and T-55/12.
⁸ T-566/11 and T-567/11.
1. An Issue of specific interest: Features of appearance of a product which are solely dictated by its technical function

It is no news that the “appearance of a product” may be protected as a Community Trademark (CTM) just as well as a Registered Community Design (RCD). The application of a RCD of devices which may primarily have been designed as trademarks and which primarily shall eventually be used as a trademark may even be advantageous, because the registration procedure under the Community Design Regulation (CDR) is considerably swifter than that of a CTM and therefore produces a solid right fairly quickly. Furthermore, the examination standards under the CDR are considerably less strict, since they are limited to formalities, public policy, as well as, accepted principles of morality.

“Design follows function” is not only a widespread belief in the world of industrial designs but actually a proven fact established by an ever increasing number of registered Community designs (RCD) for technical products populating the fine line separating designs from patents. The line is drawn by Article 8(1) of the Community Design Regulation (CDR) which prevents design protection for features solely dictated by their technical function. The subject has been dealt with in various invalidity proceedings. Different approaches were applied in the reading of the term “solely”. In their earlier decisions, the Invalidity Division concluded that a shape of an underwater motive device cannot be considered to be solely dictated by its technical function where alternative shapes exist fulfilling the same function. This interpretation seemed to be in accordance with an obiter dictum of Advocate General Ruiz-Jarabo in an opinion of his in the trademark case Philips v Remington of January 20019 suggesting that “… a functional design may, none the less, be eligible for protection if it can be shown that the same technical function could be achieved by another different form.”

The situation changed when the Boards of Appeal issued their first decision on this issue in 2009 followed by two further decisions confirming their earlier position. The Boards decided that Article 8(1) CDR denies protection where “aesthetic considerations play no part in the development of the designs, the sole imperative being the need to design a product that performs its function in the best possible manner.” From the perspective of the Boards many of the registered Community designs following functions may have overstepped the line. The decision taken by the Boards in 2009 required an evaluation of the “considerations” of the designer while developing the design. However, finding out what the designer had in mind at some moment in the past is not necessarily an easy task to do. Another difficulty lies in the fact that according to section 10 of the Preamble of the CDR a design does not need to have an “aesthetic quality”. Hence, assessing the validity of a design registration on the basis of “aesthetic considerations” may not convince everybody.

In a recent decision the Invalidity Division10 made another attempt to draw the line. The claimant in the invalidity proceedings argued that all the features of the contested RCD were solely dictated by the technical function of the pallet. As evidence, the claimant submitted an International patent application and a catalogue: The Invalidity Division rejected the claim. Pointing to a number of differences between the contested RCD and the prior design, the Invalidity Division reasoned as follows: The necessity to provide for a certain functional element resulting from the technical function of the product does not preclude the design of this element from protection.

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9 Case C-299/99, Philips, ECR. I-5475.
10 Decision of the Invalidity Division of September 7, 2011 concerning RCD 1213904-0001, ICD 8225.
As long as the designer has some freedom in the development of the feature of appearance of this element, said feature is not solely dictated by the technical function of the product. The presence of differences between the prior design and the contested RCD would demonstrate that the designer had some freedom.

The reasoning of the Invalidity Division has the practical advantage that it relies on a term used in the Regulation, namely the “degree of freedom of the designer” of Article 6(2) CDR. The term is part of the assessment of the individual character of a Community design and well-thought-out in case law, including judgments from the General Court. The recent decision of the Invalidity Division will certainly not be that last word in this matter. Final clarification as regards the meaning of “solely dictated by technical function” and hence the separation of designs from patents can only come from the Court of Justice.

Since the case law of the Boards of Appeal is unanimous of the issue and there is not yet any overriding jurisprudence from the European Courts, the Invalidity Division of the Office will follow the position taken by the Boards. The new Manual on the Examination of Design Invalidity Applications (published in June 2012) follows this position. It has to be underlined that according to the Office’s Strategic Plan, first instance examination rules will be designed according to the trends established through the case law of the Boards of Appeal and the European Courts. The analysis of the case law is being made in Knowledge Circles constituted by all internal stakeholders under the guidance of Legal Affairs (ICLAD - Department of International Cooperation and Legal Affairs). The implementation of such case law will depend on it having matured into a fairly consistent trend.

According to the new practice Article 8(1) CDR denies protection to those features of a product’s appearance that were chosen exclusively for the purpose of allowing a product to perform its function, as opposed to features that were chosen, at least to some degree, for the purpose of enhancing the product’s visual appearance", as was held by the 3rd Board of Appeal (decision of 22/10/2009, R 690/2007-3 - ‘Chaff cutters’, para. 35 et seq.).

The fact that a particular feature of a product’s appearance is denied protection by Article 8(1) CDR does not mean that the whole design must be declared invalid, pursuant to Article 25(1)(b) CDR. The design as a whole will be invalid only if all the essential features of the appearance of the product in question were solely dictated by its technical function (decision of 29/04/2010, R 211/2008-3 - ‘Fluid distribution equipment’, para. 36).

In order to determine whether the essential features of the appearance of the product into which the contested Community Design will be incorporated are solely dictated by the technical function of the product, it is first necessary to determine what the technical function of that product is. The relevant indication in the application for registration of that design (Article 36(2) CDR) should be taken into account, but also, where necessary, the design itself, in so far as it allows for the definition of the nature of the product, its intended purpose or its function (see by analogy, judgment of 18/03/2010, T-9/07, ‘Representation of a circular promotional item’, ECR II-981, para. 56).

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11 Judgment of 18 March 2010, Case T-9/07, Grupo Promer Mon Graphic, SA / OHIM (Representation of a circular promotional item), ECR II-981
Whether Article 8(1) CDR applies must be assessed objectively, not in the perception of the informed user who may have limited knowledge of technical matters.

The technical functionality of the features of a design may be assessed, inter alia, by taking account of the documents relating to patents describing the functional elements of the shape concerned. Depending on the case, and in particular in view of its degree of difficulty, the Invalidity Division may appoint an expert (Article 65(3) CDR and Article 44 CDIR). Article 8(1) CDR does not require that a given feature must be the only means by which the product’s technical function can be achieved. Article 8(1) CDR applies where the need to achieve the product’s technical function was the only relevant factor when the feature in question was selected (decision of 22/10/2009, R 690/2007-3 - ‘Chaff cutters’, para. 31-32). There clearly is a relationship of this assessment to the degree of freedom of the designer, which would be limited entirely, if the design merely sought to result in a technical function.

The designer’s degree of freedom depends on the nature and intended purpose of the product in which the design will be incorporated as well as on the industrial sector to which this product belongs. The Office will take into account the indicated products in which the design is intended to be incorporated or to which it is intended to be applied (Art. 36(2) CDR), but also, where necessary, the design itself, in so far as it allows defining the nature of the product, its intended purpose or its function (judgment of 18/03/2010, T-9/07, ‘Representation of a circular promotional item’, para. 56). The designer’s degree of freedom in developing his design is established, inter alia, by the constraints of the features imposed by the technical function of the product or an element thereof. However, the fact that the intended purpose of a given product requires the presence of certain features may not imply a restricted degree of freedom of the designer where the parties submit evidence that there are possibilities of variations in the positioning of such features and in the general appearance of the product itself (judgment of 14/06/2011, T-68/10, ‘Watch attached to a lanyard’, para. 69; judgment of 06/10/2011, T-246/10, ‘BRAKE’, para. 21-22; judgment of 09/09/2011, T-10/08, ‘Engine’, para. 37).

2. Selected Case Law by the Boards of Appeal and European Courts

Decisions of the Boards of Appeal

R-0284/2011-3

The Board annulled the decision of the Invalidity Division. The applicant had requested a design for the product tool chest. Tool chests are chests for holding tools, the inside of which is adapted to the shape of the respective tools through corresponding cut-outs.
The Board held that the **requirement for a representation on a neutral background** was met. The tools illustrated in the representation merely clarified the cut-outs provided for holding them and did not impair the ability to identify the design claimed for tool chests. The reproductions therefore met the requirements of **Article 4(1)(e) CDR** in every respect. The Office’s relevant notification did not fulfil the duty to provide a **statement of reasons** pursuant to **Article 62 CDR**. The Office’s notification was limited to the reproduction of the objection notice and the finding that the appellant did not remedy the deficiencies found within the prescribed period. No reasons were given as to why the examiner did not regard the white background of the representations as neutral and there was no examination of the appellants argument, in particular its objection that the product claimed was not tools, but rather tool chest. The reasons why the examiner decided to close the file remained unclear.

*R-0978/2010-3*

**Dotted lines** indicate the elements for which **no protection is sought** and is not a part of the view. The design claimed is the part that appears in a solid line in the form of a winged line, namely a curved line which is joined by another curved line that is its mirror image with an indentation in the middle. The solid line in the form of a wing could be incorporated into a multitude of forms and shapes, including the part marked “A” in the two US designs of the labial pad, invoked in the invalidity application. Those designs of the labial pad were registered in the USA, were made available to the public on the date of registration and thus within the meaning of **Article 7(1) CDR**.

![Design Illustration](image)

The RCD is present in the designs of the labial pad that have already been disclosed and cannot be found new. The slight difference in the depth of the indentation, which appears slightly deeper in the RCD, is an **immaterial detail**. The RCD proprietor’s **auxiliary requests** cannot be accepted. The first auxiliary request for the **amendment of the product indication** would not alter the RCD invalidity since the indication of the product does not, by virtue of **Article 36(6) CDR**, affect the scope of protection of the RCD. The second auxiliary request that the **broken line in the RCD should be replaced by a solid line** is inadmissible since it would amount to a **change in the identity of the design** within the meaning of **Article 25(6) CDR**.
The invalidity applicant had duly documented, by means of photographs and information the protected work on which the application for invalidity was based, and had fulfilled the first requirement of Article 28 CDIR. Moreover, since copyright was acquired through the creation and/or disclosure of the work. According to French law (Section L.113-1 CPI) ‘in the absence of evidence to the contrary, the designer is recognised to be the person in whose name the work is disclosed’. The invalidity applicant had amply proved that it disclosed the soup plate and the decoration thereof, characteristic of all the pieces of crockery making up the collection, in the name of ‘J.L. Coquet’, its own name. This name has been systematically associated with the work in all the catalogues and all the advertising and press material, continuously, for many years. It must therefore be considered that the invalidity applicant is indeed the holder of the copyright over the work in question. As to the holder’s argument that the invalidity applicant’s soup plate may not be considered a work protected by copyright, the Board notes, in particular, that the use of fine grooves of even thickness, without a break, over almost the whole inside surface of the plate, gives the crockery an individual identity and a sufficiently original physiognomy to justify its legal protection. Consequently, the use of fine grooves in question was considered to fall within the threshold set by French law on copyright, as interpreted by the courts. The Board further notes that it is possible to discern, quite clearly, in the Community design, (1) the presence of the protected work, i.e. the same groove design and (2) that these grooves cover exactly the same part of the piece, i.e. the whole of the inside face of the plate except for the centre. It is precisely the combination of these two characteristics that embodies the creative content of the earlier work and which has been reproduced - or ‘used’ - without authorisation in the Community design.

The prior designs had been made available to the public before the date of application of the contested RCD and may thus be regarded as earlier designs within the meaning of Article 7 CDR.
The Board endorsed the conclusion of the contested decision that the prior designs and the contested RCD are not identical within the meaning of Article 5 CDR (lack of novelty) since the differences in the designs are not immaterial. In particular, the differences concerning the fact that the shape of the lifting arm of the RCD was in the form of a ‘grapple’ or ‘claw’, whereas the prior designs did not have a lifting arm, they had a forklift instead, and the notable difference in the cabins of the trucks, could not be dismissed as insignificant as they change the appearance of the trucks in a manner that will not go unnoticed by an observant user. The two trucks are used to perform different kinds of functions. Consequently, the overall impression of the prior designs did not deprive the RCD of its individual character pursuant to Article 6 CDR. As to the admissibility of the applicant’s claim under Article 25(1)(d) CDR, the Board noted that this provision is to be interpreted as providing specific protection for prior designs also in cases where the prior design has been made available to the public prior to the date of filing of the application of the CDR (or, if a priority is claimed, the date of priority of the CDR). Therefore, for reasons of procedural economy, the Board will also compare the RCD with the International design registration, which was registered on 24 July 1998, claiming priority of an earlier German application filed on 3 February 1998. In this regard, it was held sufficient to note that taking into account the above mentioned differences, the RCD could not be considered to be in conflict with the prior design, because it did not fall within the scope of protection of the earlier right. The RCD did not consist of a design in which the prior design had been incorporated in all its relevant elements as practically all the relevant elements, except the bottom part of the main body, show notable differences.

R-1703/2010-3

The Board annulled the decision of the Invalidity Division. Article 25(1)(d) CDR provides specific protection for prior designs made available to the public prior to the RCD filing date.

In the present case, contrary to the contested decision, International design registration No DM/051 462, which was registered on 3 March 2000, claiming priority of an earlier German application filed on 20 September 1999, published on 30 June 2000 and renewed on 3 March 2005, was to be considered a prior design in accordance with Article 25(1)(d) CDR which has been made available to the public prior to the date of filing of the RCD. Since the contested decision did not make a comparison of the designs based on the claim made under Article 25(1)(d), the Board did so, for reasons of procedural economy. The contested RCD and the prior design differ in particular because the RCD included a trailer absent in the prior design and the lifting tool of the RCD was pointing downwards, whereas it was pointing upwards in the prior design. In the prior design the parallel black lines on the side of the toy vehicle followed by the type number ‘R3-42T’, do not appear in the RCD.
Since the prior right had been registered in black and white, the comparison with the contested RCD was made on the assumption that it is intended to be used in colour. As to the main body of the toy vehicle, there are no differences between both designs, except the parallel black lines followed by the type number which do not appear in the RCD. For the rest, they were held identical. The fact that the lifting tool of the RCD was pointing downwards, whereas the lifting tool of the prior design was pointing upwards, was considered immaterial. Consequently, the RCD was in conflict with the prior design, since it incorporated the most relevant elements of the latter. Furthermore, the RCD was also held invalid pursuant to Article 25(1)(b) CDR, since it would inevitably create the same overall impression on informed users as the prior designs, as it reproduced all the essential characteristics of the latter and, in order to differentiate itself, in addition to making only very slight and hardly noticeable variations, simply adds another component - a trailer - which can usually be coupled to this type of product in the course of the latter's customary usage.

R-0548/2010-3

The Board annulled the contested decision and dismissed the application for a declaration of invalidity. The grace period in Article 7(2) CDR allowed the holder to disclose its design for 12 months prior to registering it. Given that the holder had disclosed its design within the stipulated period, the supposed disclosures of designs D2 and D3 are not, in reality, disclosures. Since the actions on which the applicant bases its application for a declaration of invalidity were not disclosures, it is unnecessary to examine whether the attacked design is devoid of novelty or individual character. In any case, D1 was not sufficiently similar to either of designs D2 and D3 to consider that it lacked novelty or individual character.

![Design 1](image1.png) ![Design 2](image2.png)

The differences are, first, the presence of the letter ‘B’ compared with the letters ‘BCN’ and, second, the repetition of the name ‘Barcelona’ three times in the case of D1 and four times in the case of D2. The difference between the large letter B in D1 and the initials BCN in D2 will have a significant impact on the well-informed user who knows the trends and fashions in clothing accessories. The differences were even greater in the case of D3, since it did not even contain the letter B or the name Barcelona, and therefore it did not take away the novelty or individual character of D1.

R-1565/2009-3

The applicant unadvisedly allowed the final time limit for renewing its design to elapse. Once it had been notified of the expiry of the right, it filed an application for restitutio in integrum. As a preliminary remark, the Board noted that the Office usually only communicates with the holder of the design and any duly appointed representatives.
Any delegations of powers that may exist between those individuals and third-party entities have absolutely no effect on the Office and the third parties unless they appear in the register. In the present case, the cause of non-compliance stems from the data relating to the design being incorrectly entered into the database of a third-party company which had been tasked by the holder to renew its registrations. According to the holder’s observations the representative received notice of the expiry on 9 June 2009. Since the representative had received nothing from the holder stating that it wished to abandon the design, it was clear that a mishap had occurred. The level of due diligence required of a professional representative would have in fact compelled it to perform a simple and quick check of the Office’s published databases, from which it could have checked whether the right actually existed, and if so, the identity of its holder and its expiry date.

R-0222/2011-3
The Board annulled the contested decision in part. In the context of the CTM system, the issue of where there is request for an amendment of a representation in an application that includes a priority claim, was considered by the General Court in its judgment in Case T-128/99, ‘Teleye’, which can be applied mutatis mutandis to the circumstances of the present case in which priority of a Japanese design application was claimed for the design. There is, in the present case, as far as concerns the application for the RCD an additional factor, namely that the request for correction is directly linked to the claim of priority in the sense that the correction is intended to make the representation of the design application coincide with that of the design in the Japanese design application. This is clear from a comparison of the designs as shown in the application form and in the application for the Japanese design. Moreover, acknowledgement of the possibility for the applicant, in the circumstances in point, to apply for a correction of the design application in accordance with Article 12(2) CDIR does not conflict with the need to protect third parties which is evidenced by the six-month period laid down in Article 41 CDR as well as the applicant’s request for the deferment of publication pursuant to Article 50 CDR. The reasoning in the contested decision was incomplete as far as one of the applications is concerned. In relation to that application, the examiner did not consider the effect which the claim of priority could have on her analysis of the question whether the correction sought substantially altered the design.

R-0658/2010-3
The Board annulled the contested decision and dismissed the application for a declaration of invalidity. The new evidence submitted by the appellant in the appeal proceedings was taken into consideration pursuant to Article 63(2) CDR. According to the case law on the parallel provision under Article 76(2) CTMR, the Board used its discretion when deciding whether to take evidence into account that had been submitted late. In this respect, the submission of a further statutory declaration and of a picture from the respondent’s catalogue from which extracts have already been submitted merely supplements the facts previously presented by the appellant. This additional submission was relevant to the outcome of the proceedings because it throws into doubt the fact that the design disclosed by the respondent at IFA 2007 was an independent parallel creation. From the appellant’s point of view, an earlier submission was not possible because he only found out as a result of the contested decision that the evidence submitted in the invalidity proceedings had been disregarded. The documents submitted by the appellant suggest that D 1 is attributable to the appellant as designer and is not an independent parallel creation. D 4 shows that the respondent itself was using another design for its trade fair stands at CEBIT 2007. Looking at D 3 and D 4 together also shows that the respondent’s trade fair stands at CEBIT 2007 with ‘EIEC CHINA’ written on them were built right next to the appellant’s trade fair stands according to D 2.
Bearing in mind how competitors usually act towards one another, including monitoring the market for competing products, it is to be assumed that the respondent already knew about the design according to D 2 before August 2007, so it does not matter whether the drawings made by the appellant were made available to it by CCPIT-ECC or it had found out about the trade fair stand according to D 2 some other way, because this is in any case indirectly attributable to the appellant’s actions as designer. There is therefore no disclosure that could preclude the novelty of the contested Community design. As there has been no disclosure detrimental to novelty, the trade fair stand published by the respondent at IFA 2007 does not belong to the known prior art either, so the contested Community design cannot be denied individual character.

**Judgments of the General Court of the European Union**

*Judgment of 14 June 2011 in Case T-68/10, ‘WATCHES’*

Sphere Time, the holder of the RCD shown below, was attacked by Punch SAS, claiming that the challenged RCD did not fulfill the requirements of novelty and individual character and should therefore be invalidated.

The Invalidity Division upheld the invalidity request and declared the contested RCD invalid.

On appeal, the Board dismissed the appeal.

Before the General Court, the proprietor claimed that the Board of Appeal had been wrong to consider the challenged design as lacking individual character and as not being new. It also alleged that the Board of Appeal had not correctly evaluated the appellant’s arguments and evidence submitted in the course of the proceedings, misinterpreted the freedom of the designer and based its decision on a wrong evaluation, thereby misusing its power.

The appeal was dismissed by the General Court. The Court dealt with the issue of whether there had been prior disclosure of the earlier SYMBICORT design. It then examined whether the SYMBICORT design had been disclosed to the public before the date of the filing of the application for the RCD. There was a shipping invoice proving that the SYMBICORT design was disclosed before the relevant date to circles specialized in the sector concerned, and operating in the EU.

The informed user of promotional items would include professionals who acquire them for onward distribution to final users and final users themselves. If one of the two groups of informed users perceived the designs as producing the same overall impression this suffices for a finding that the RCD lacks individual character.
The General Court then considered what elements were protected by the designs compared. The Court held that the **dotted lines** represented parts of a product which did not form part of the protected design. Nevertheless, the representations may comprise other elements that help identify the features of a design for which protection is sought. The Court approved the practice of the Office. It held that for the elements which are not protected, the **designer’s degree of freedom** is irrelevant. As to the lanyard, the Court recognized some room for variation in length and width. It found that the same conclusion applied to the positioning of the watch on the lanyard. In relation to the watch, the Court recognized the constraints which relate to the presence of certain elements in a watch, but do not influence its shape and general appearance. In particular, the face and the watch case may take various shapes and may be structured in various ways. The elements subject to a global assessment of the overall impression needs to be determined in a sufficiently precise and certain manner. Nevertheless, the **impression on the informed user** should also be determined in the light of the manner in which the product at issue is used. The differences between the designs at issue were held negligible. The designs created the same overall impression on the informed user.

Finally, the Court rejected the allegation of an infringement of the applicant’s **rights of defense** or of the **duty to state reasons**.

**Judgments of 9 September 2011 in Case T-10/08 and Case T-11/08 ‘INTERNAL COMBUSTION ENGINE’**

Kwang Yang Motor Co obtained an RCD to be applied to an ‘internal combustion engine’. Honda Giken Kogyo Kabushiki Kaisha filed an application for invalidity under Article 25(1) (b) CDR, claiming, i.e., that the challenged design was identical to a US design.

The Invalidity Division rejected the application for invalidity. On appeal, the Board of Appeal annulled the Invalidity Division’s decision and declared the challenged design to be invalid lacking individual character. It produced an overall impression that did not differ from that produced by the earlier design on an informed user. The decision was appealed to the General Court, claiming infringement of Article 4(2) CDR read in conjunction with Article 6 CDR. The Court dismissed the appeal.

The design constituted a component part of a complex product (an internal combustion engine which could be incorporated into a lawnmower). Therefore, it was necessary to determine what parts would remain **visible during normal use** of the product and whether the visible features of that component part would produce an overall impression which differed from that produced by an earlier design on an informed user. The Court confirmed the finding of the Board that the visible parts are principally the upper side of the motor and the front and lateral sides, whereas the rear side was less visible and the underside was not visible at all. The upper side of the engine determined the **overall impression** produced by the engine.
In the context of assessing individual character, the Court recalled that an ‘informed user’ is ‘particularly observant’, has some awareness of prior art and actually uses the product in which the design is incorporated in accordance with the purpose for which that product is intended (see ‘Pogs’ judgment). Being ‘informed’, the user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them. This does not imply that the informed user is able to distinguish, the aspects of the appearance of the product which are dictated by the product’s technical function from those which are arbitrary.

In the case at issue, the informed user of a lawnmower is someone wishing to use such a mower, who, for example, needs to purchase one and has become informed on the subject. The Court disapproved the argument that the subject of the design is an internal combustion engine, which is sold to manufacturers and not to end users.

In assessing individual character, the designer’s degree of freedom in developing the challenged design has to be taken into account. The Court held that the shape, configuration and placement of the features at issue, would not be dictated by technical and functional constraints. Therefore, the designer of the internal combustion engine would be free to choose the shape of the components of that engine and their position. There existed a wide variety of shapes and combinations of components for internal combustion engines.

The overall impression produced on an informed user was determined by the general appearance of the upper side of the engine, and by the position of the various components of the internal combustion engine, their shape and size in relation to each other, and not by a multitude of technical details. The Court noted that, not only were the proportions, arrangement, layout, size and shape of the components of the engines almost identical, but the screws were also almost identically placed. The Court held that for an informed user, shape, dimensions and arrangement of the various components of the internal combustion engine would be more important than differences in detail. The Court concluded that the two designs at issue produce an identical impression on account of their common shape, the arrangement of their principal components and basic structure.

Judgment of 6 October 2011 in Case T-246/10, ‘REDUCERS’
Industrias Francisco Ivars obtained an RCD, intended to be applied to mechanical speed reducers. Motive Srl filed an application for invalidity based on an earlier RCD, for screw rotation reducers:

The invalidity application, based on Article 4 CDR, read in combination with Articles 5 and 6 CDR, was rejected by the Invalidity Division. The Board subsequently upheld the appeal, annuling the Invalidity Division’s decision. This decision was appealed to the General Court on the grounds that there had been a misinterpretation of Article 6 CDR.
The Court dismissed the appeal. The Board had been right to consider that the contested design should be cancelled for lack of individual character.

The Court confirmed that the informed user in the case at issue would be someone using this kind of product in his work and having an awareness of products of this kind available on the market. When comparing the two designs, the major difference was the presence of the flange coupled to the casing in the challenged design, and the corresponding invisibility of the few features hidden by it. However, although the flange coupled to the casing of the contested design was not present in the earlier design, the appellant did not dispute that adding this flange would not produce a different overall impression. The casing of the contested design was therefore the only distinguishing feature.

The fact that some of the cooling fins or ribs on the challenged design ran lengthways, whereas those in the earlier RCD ran transversely did not play a decisive role. The common elements of the casings at issue were to be taken into account to compare the overall impression produced by the designs at issue on the informed user. The Board did not have taken the very limited designer's freedom in developing the challenged design into account, because the appellant had not demonstrated that those common elements were indeed imposed by the technical function of the products at issue. Therefore, the Court considered that there was not enough evidence to assume that the designer's freedom had been limited.

The Board was right in considering that both casings of the designs at issue were identical. The appellant himself had not denied that the two designs compared share most of their characteristics (in terms of shape, recesses, proportions and location of the casing structure). Since the only distinguishing feature was the orientation of the cooling fins, given the large number of common elements, this was rightly considered an insignificant detail. There would thus be an overall impression of similarity produced by the designs on the informed user. Thus conclusion the Court held to be underlines due to the fact that the cooling fins were located on the casing sides and, therefore, would be less visible.

Judgment of 9 March 2012 in Case T-450/08, ‘FLASK’
An RCD for a flask was applied for on 6 May 2003 and was subsequently attacked for lack of novelty. The invalidity applicant claimed that an identical design had been disclosed in the context of a purchase transaction between two European operators.
The evidence relied on in the invalidity application consisted of an industrial drawing bearing a date of creation; an internal document relating to the shipment of 60,000 flasks to the UK; an affidavit stating that the flask depicted in the drawing had been sold to a UK intermediary before 6 May 2003. Proof of disclosure was challenged before the Invalidity Division but was found to have been shown.
On appeal, the invalidity applicant supplemented its evidence with further evidence. The Board dismissed the appeal and confirmed that disclosure was established before 6 May 2003 on the basis of the three documents referred to above. It disregarded the additional proof submitted for the first time on appeal. The Board concluded that the designs were identical, since the differentiating elements were insignificant. The RCD holder lodged an appeal before the General Court only challenging the evidential value of the proof of disclosure.
The General Court dismissed the appeal.

Neither the CDR nor the CDIR provide for any specific form of evidence required for establishing disclosure. Thus the form of such evidence is at the discretion of the applicant. The Office has to carry out an overall assessment of the evidence by taking account of all the relevant factors in the particular case. The Court underlined, that disclosure cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient disclosure of the earlier design.
The evidential value of an affidavit depends primarily on the credibility of the account it contains. All relevant elements have to be considered: the person from whom the document originates, the circumstances in which it came into being, the person to whom it was addressed and whether, on its face, the document appears sound and reliable. An overall examination of the items of evidence implies that even if some items of evidence are not conclusive of disclosure in themselves, they may contribute to establishing the disclosure when examined in combination with other items. In the case at issue, the shipment of 60,000 of the same flask as that depicted in the industrial drawing of the application was proved: the products were identified by the same ‘product code’. Overall, the three sets of documents were able to show that there had been disclosure. The Court further confirmed that disclosure of a design can be the result of use in trade even where there is no proof on file that the products in which the earlier design is incorporated have actually been put on the market in Europe. It is enough that the goods have been the subject of a purchase transaction concluded between two European operators. Finally, the Court stated that bad faith on the part of the invalidity applicant was irrelevant in invalidity proceedings.

Judgment of 18 October 2011 in Case T-53/10, ‘CRATES AND BASKETS’
Dynamic Promotion Co. Ltd obtained an RCD. Peter Reisenthal filed an application for invalidity against this RCD, based on Articles 4 to 9 CDR.
The Invalidity Division rejected the application for a declaration of invalidity of the contested design on 20 May 2009 and sent the decision to the applicant’s representative on the same day by fax and by post.
On 3 June 2009, the applicant filed a notice of appeal against the Invalidity Division’s decision. The applicant’s representative sent OHIM the written statement setting out the grounds of appeal, initially by post on 21 September 2009 and subsequently by fax. OHIM received the faxed copy on 23 September 2009 and then the postal copy on 24 September 2009. On 13 October 2009, the applicant was informed by the Registry of the Boards of Appeal that the period for filing the written statement setting out the grounds of appeal had expired on 21 September 2009. The applicant was given a period to submit its observations where it claimed that the Invalidity Division’s decision had been notified to him only by post, on 25 May 2009.
The Board dismissed the appeal as inadmissible because it considered that the statement of grounds of appeal had been submitted out of time. The applicant’s observations to OHIM, submitted together with its representative’s fax reception report in good time had not been taken into consideration in that decision. The Board corrected its first decision, pursuant to Article 39 CDIR. The Board considered it necessary to take account of the applicant’s timely observations. However, it held that the reception report provided by the applicant did not allow the evidence put forward by OHIM to be called into question as regards the notification of the Invalidity Division’s decision by fax on 20 May 2009.
The applicant requested that the first decision of the Board be corrected again, so as to acknowledge that the written statement setting out the grounds of appeal had been submitted within the prescribed period. It also submitted new evidence concerning the working practices and the processing of faxes in its representative’s office and, in the alternative, requested restitutio in integrum, pursuant to Article 67 CDR.
The Board rejected the applicant’s requests. The applicant filed an appeal before the General Court.

Regarding the admissibility of the claim for annulment of the decision of 22 March 2010 the Court pointed out that under Article 135(4) of the Rules of Procedure of the General Court, the parties’ pleadings are not allowed to change the subject-matter of the proceedings before the Board. In the present case, the applicant’s request for correction related to whether the Invalidity Division’s decision had been notified to the applicant by fax. Thus, it had the same subject-matter as the decisions of 6 November and 10 December 2009. It was thus in continuation of the previous decisions of the Board and did not change the subject-matter of the proceedings. However, the request for restitutio in integrum was filed for the first time in the applicant’s letter of 23 December of 2009. It was thus not the subject matter of the two decisions taken by the Board. For that reason the Court ruled that the claim for annulment of the decision in question was admissible only in so far as that decision concerned the request for correction.
As for OHIM’s competence to adopt the two decisions, the General Court observed that examination of the competence of the authority issuing a measure is a matter of public interest and as such must be raised by the Court of its own motion. Recalling the content of Article 39 CDIR, the Court pointed out that neither the amendments made by the Board related to linguistic errors or errors of transcription. The amendments also did not relate to the correction of obvious mistakes because ‘obvious mistakes’ are limited to formal matters, not affecting the scope and substance of the decision at issue, characterized by its operative part and grounds. The Board used the correction mechanism to remedy a breach of the applicant’s rights of defence. It was an error liable to vitiate the substance of that decision. It was clear from the observations submitted by the applicant that error affected the grounds of the decision and therefore its content. Consequently, the Court concluded that the Board was not competent to adopt this decision on the basis of Article 39 CDIR. However, the decision could have been adopted by the Board on another legal basis. In fact, according to case-law, a retrospective withdrawal of an unlawful administrative act which has created individual rights is permissible, provided that the institution which adopted the act complies with the conditions relating to reasonable time-limits and the legitimate expectations of beneficiaries of the act. The Court held that the adoption/ withdrawal of the decision one month and four days after the erroneous decision had been taken constituted a reasonable period of time. Since it did not amend the operative part of the decision, the legitimate expectations of the other party before the Board were not affected. Therefore, the wrong choice in the legal basis did not warrant annulling the decision.

Concerning the second decision, the Court pointed out that the applicant’s request for correction did not seek the correction of a formal error affecting the decision concerned, but a re-examination of the substance of that decision and the adoption of a new decision with a different content. Thus, the mistake was not an obvious mistake, and the Board had not been competent to rule on the substance of that request using Article 39 CDIR. Furthermore, when it had rejected the correction request, the Board had found its previous decision on the appeal not to be unlawful, it had also not been competent to withdraw that decision. Consequently, the BoA had no competence to adopt the second decision, rejecting on the substance the request for correction. Thus the second decision was annulled in so far as it concerned the applicant’s request for correction.

The applicant also alleged infringement of the right to be heard as well as an error of assessment. It submitted that the Invalidity Division’s decision had been notified to him by post on 25 May 2009, and thus that the written statement setting out the grounds of appeal had been submitted within the four-month period.

The Court held that OHIM complied with the requirements laid down in Decision EX-03-04 regarding the formalities of notification by fax. The transmission report showed that, on 20 May 2009 at 12:22, OHIM sent the applicant’s representative a seven-page fax which included a one-page covering letter indicating that the Invalidity Division’s six page decision was attached. The transmission report also indicated that it had been correctly received by the applicant’s representative’s fax machine. It was apparent from the representative’s fax report that he had received a seven-page fax from an unidentified sender at 12:35 on 20 May 2009. The eight minute interval between sending and reception could be explained by the fact that the two fax machines may not be set at exactly the same time. The Court was not impressed by the fact that the identification of the sender’s number was not displayed on the fax since it could have been due to technical reasons and, in any event, Decision EX-03-04 does not require the sender’s number to be indicated on faxes sent by OHIM.
Although the applicant claimed that it could not be required to prove a negative, the Court rejected that argument by pointing out that he could have produced the fax which it actually had received on 20 May 2009 at 12:35, in order to establish that it was not the fax sent by OHIM.

The Court rejected the applicant’s request to hear two witnesses in order to establish that faxes from OHIM show the sender’s fax number and to explain the working practice in his representative’s office regarding the processing of incoming faxes. Those facts were not relevant to resolving the dispute.

Therefore, the first decision of the Board of Appeal was annulled in so far as it concerned the applicant’s request for correction, and the remainder of the action was dismissed.

Judgments of the Court of Justice of the European Union

Judgment of the ECJ of 22 September 2011 in Case C-426/10P

On 22 January 2010, Bell & Ross BV brought an action against the decision of OHIM. That application was received at the Registry before the expiry, on 25 January 2010, of the time-limit for bringing proceedings.

By letter of 28 January 2010, the applicant indicated that it was transmitting to the Registry of the General Court the original of the application sent by fax on 22 January 2010 and its annexes, as well as seven sets of true copies of the application and the documents required by Article 44(3) to (5) of the Rules of Procedure of the General Court.

The Registry contacted the appellant to bring to its attention the fact that the original of the application could not be identified with certainty from among the documents lodged on 1 February 2010.

The appellant’s lawyer sent the copy of the application which remained on his file to the Registry:

The Registry of the General Court informed the appellant that it had concluded that that last document was an original, since the black ink smudged slightly after a damp cloth had been applied to the signature.

The Registry of the General Court entered the application in the register on 5 February 2010, that is, after the expiry of the 10-day period which ran from the transmission of the application by fax, in accordance with Article 43(6) of the Rules of Procedure of the General Court.

The action was dismissed as inadmissible.

In its judgment, the Court merely confirmed the judgment of the General Court ruling that an appeal before it was out of time because the appellant’s letter certifying that the copies of the application were true copies was not sent within the 10-day time limit foreseen under the Court's Rules of Procedure. The ECJ therefore rejected the appeal as inadmissible.

Judgment of October 20, 2011 in case C-281/10 P, METAL RAPPERS/ POGS

PepsiCo, Inc.’s RCD, registered for ‘promotional item[s] for games’, was invalidated by Grupo Promer Mon Graphic SA’s earlier design for ‘metal plate[s] for games’, under Article 25(1) (b) CDR (lack of novelty) by both the Invalidity Division and the General Court. The Board had considered that the freedom of the designer of those promotional items was ‘severely constricted’ and, therefore, that the difference in the profile of the designs at issue was sufficient for a finding that they produced a different overall impression on the informed user.

The General Court reversed the Board’s decision. Five similarities between the two designs in question were identified and the differences observed by the Board of Appeal were considered insufficient for the contested design to produce an overall impression on the informed user that differed from that produced by the prior design.
The judgment was appealed to the ECJ on the grounds that the General Court had (1) erroneously interpreted the constraints on the designer's freedom, (2) misinterpreted the concept of the informed user and his attention level, (3) exceeded its power of review, (4) compared the products rather than the contested designs and (5) distorted the facts. The ECJ confirmed the General Court's judgment.

The allegation that certain features of the designs compared (such as raised edges and circular shape) were constraints on the designer's freedom and were necessary for the design to function was dismissed as a factual matter. In the absence of evidence that the General Court had distorted the facts, this plea was considered inadmissible. Also, the applicant had not disputed the criteria applied by the Court for establishing the designer's degree of freedom in developing a design.

The ECJ held that the concept of an "informed user" was not defined in the CDR. It endorsed the view of the General Court and the Advocate General that it must be understood as lying somewhere between that of the average consumer, applicable in trade mark matters, and the sector specific expert, who is an expert with detailed technical expertise. Such an informed user is capable of being a child in the approximate age range of 5 to 10 or a marketing manager in a company that makes goods which are promoted by giving away ‘pogs’, ‘rappers’ or ‘tazos’. In some circumstances it may not be wrong to consider the possibility of imperfect recollection. This would be the case for example, where a side-by-side comparison would be unusual or impractical.

The Court agreed that the appropriate standard for the defining level of attention of the relevant, informed user is not that of the well-informed and reasonably observant and circumspect average consumer, nor is it that of an expert or specialist capable of observing minimal differences that may exist between the designs in conflict. The qualifier ‘informed’ suggests that, without being a designer or a technical expert, the user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of its interest in the products concerned, shows a relatively high degree of attention when it uses them. The reference of the General Court to features that would be ‘easily perceived’ by informed users should be read in a broader context, merely providing clarification on the greater degree of curvature displayed by the contested design.

The General Court is entitled to conduct a full review of the legality of OHIM’s assessment of the particulars submitted by an applicant. It may afford OHIM some latitude, in particular where OHIM is called upon to perform highly technical assessments, and restrict itself, in terms of the scope of its review of the Board’s decisions in industrial design matters, to an examination of manifest errors of assessment. Certainly, under the specific circumstances of the case at issue, the General Court did not go beyond its power to alter decisions under Article 61 CDR.

The General Court was allowed to take into account in its assessment of the overall impression of the designs at issue the goods actually marketed and corresponding to those designs: The informed users see the goods in which the design is placed and not the representation on the register. The Court rightly used the comparison of the actual goods for illustrative purposes.

The ECJ pointed out that it is for the appellant to indicate precisely the evidence alleged to have been distorted and show the errors of appraisal which led to that distortion. Such a distortion needs to be obvious, without any need to carry out a new assessment of the facts and evidence. Here, the appellant had failed to do so.