The declaration of invalidity in respect of Community designs: first decisions of OHIM’s Boards of Appeal

By José J. IZQUIERDO PERIS*

I. Introduction

The first decisions on the invalidity of Registered Community Designs were issued some time after the publication of the first Community designs in April 2003. The decisions were given by the Invalidity Division of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), a body within the Designs Department¹ and competent to give such rulings in accordance with Article 105 of the Community Design Regulation (‘CDR’).² OHIM’s administrative practice in this area began on 27 April 2004, with the declaration of invalidity of a bar stool.

Formed by three members (at least one is legally qualified), said division exhausts, at first instance, administrative procedures within which the agency can, after grant of the design and only upon an ex parte application, declare registration of a design invalid on one of the grounds of Article 25 of said Regulation. Said administrative procedure examines an ex parte application for a declaration of invalidity and is therefore not a declaratory judicial procedure, as may clearly be inferred from the wording of the relevant provisions, such as Article 24(1) (‘in accordance with the procedure ...’), Article 53(3) (‘decision’), Article 102 and Article 105. Naturally, the decisions of said division may be appealed from before the Boards of Appeal (in particular, the Third Board of Appeal) and, as appropriate, before the EU courts (the Court of First Instance, ‘CDF’ and the European Court of Justice, ‘ECJ’).

Although the advent of the Community design represented the culmination of a lengthy legislative process (twelve years elapsed between the adoption of the Commission’s Green Paper³ and the publication of the first registered Community design), ⁴ the first invalidity decisions marked the first step towards consolidation of the Community system. After three years⁵ of rapid growth in the number of applications for registration received by OHIM and following an accelerated procedure of grant and publication in the electronic Community Designs Bulletin, the Community design’s practical and legal

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¹ Consequently, the Cancellation Division referred to in Article 129 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (‘CTMR’) and contained within the Trade Marks and Cancellation Department (see Organisation Chart at http://oami.europa.eu/es/office/organig.htm) is not the competent body for the examination and giving of decisions in proceedings ruling on the validity of designs.


³ Green Paper on the Legal Protection of Industrial Design (III/F/5131/91).

⁴ Filed, registered and published on 1 April 2003 (http://oami.eu.int/bulletin/rcd/2003/2003_001/0000000013_0001.htm).

⁵ See IZQUIERDO PERIS, J.J., ‘Sistema de registro comunitario de diseños: balance de los tres primeros años’ [‘Community design registration system: balance sheet for the first three years’], in Gaceta jurídica de la Unión europea y de la competencia, July/August 2006, No 244, p. 17.
effectiveness is being put to the test, on the one hand in the context of the enforcement of rights\textsuperscript{6} and, on the other, in the area of examining the validity of registrations.

During the period 2003-2006, 357 invalidity declaration procedures were initiated. Decisions have been given in 206 cases. Over the same period, 214,581 designs were registered, but this means that only 0.16\% of registrations have been challenged by means of an application for a declaration of invalidity. In 60\% of cases, the Division ruled in favour of the applicant, finding the disputed design invalid. In the remaining 40\%, the application for a declaration of invalidity was dismissed. In 320 of the 357 proceedings initiated, the decision is based on one of the grounds of Article 25(1)(b) CDR and, in particular, on the lack of novelty and/or lack of individual character of the design. In 28\%, proceedings are initiated by Spanish applicants, who occupy ‘first place’ in the ranking of applicants for a declaration of invalidity. In parallel to this, Spanish representatives (industrial property agents and attorneys) are involved in 25\% of cases, thereby also occupying ‘first place’ in the ranking. Nevertheless, the procedural language used in most instances is English (40\%), followed by Spanish (24\%). Lastly, 41 decisions have been appealed before the Third Board of Appeal, which has adopted the following decisions up to December 2006:

<table>
<thead>
<tr>
<th>Board case No</th>
<th>Invalidity decision appealed</th>
<th>CD</th>
<th>‘Nickname’ attributed by the Board</th>
<th>Date of decision</th>
<th>Appealed before the CFI</th>
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<tbody>
<tr>
<td>1002/2005</td>
<td>ICD 198</td>
<td>000074463-0002</td>
<td>metal rappers</td>
<td>27/10/2006</td>
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<tr>
<td>1001/2005</td>
<td>ICD 172</td>
<td>000074463-0001</td>
<td>metal rappers</td>
<td>27/10/2006</td>
<td>T-9/07</td>
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<tr>
<td>0737/2005</td>
<td>ICD 107</td>
<td>000016183-0002</td>
<td>Leuchtkörper</td>
<td>08/12/2006</td>
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<tr>
<td>0736/2005</td>
<td>ICD 16</td>
<td>000016183-0001</td>
<td>Leuchtkörper</td>
<td>08/12/2006</td>
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In accordance with Article 60 CDR, the Board is competent not only to exercise the powers of the Invalidity Division (e.g. to declare an application invalid or to dismiss it) but also to refer a case back to the Invalidity Division. Given that the existence of an appeal procedure assists, \textit{inter alia}, the establishment of a uniform interpretation of the conditions of validity of designs, \textsuperscript{7} the Third Board of Appeal is to be praised for up to now having exercised those powers and having itself ruled on the claims without referring a case to the Invalidity Division for a solution. Thus, we can begin to rely on an embryo corpus of ‘second-instance’ decisions that will contribute to a consolidation of OHIM administrative practice in this field. As may be observed, only one case has, as things stand, been appealed before the Court of First Instance (CFI), and we shall therefore have to wait for some time before an authoritative interpretation of the

\textsuperscript{6} It is not the aim of this paper to pass comment on the legal decisions given by the various European jurisdictions in the field of infringement of registered Community designs. OHIM makes judges’ decisions available to readers at http://oami.eu.int/es/design/aspects/cdcourt.htm. For comment on the first decisions of the Alicante courts in the area of Community designs, see IZQUIERDO PERIS, J.J., ‘Enforcement of Community Designs by Alicante courts: a promising start’ in Journal of Intellectual Property Law and Practice, 2007 2:40-49, http://jiplp.oxfordjournals.org/cgi/content/abstract/2/1/40.

\textsuperscript{7} See Recital No 28 CDR.
Regulation in general and, in particular, of the conditions of protection (novelty and individual character) of Community designs becomes available.

II. Procedural principles

Before moving on to an evaluation of these two grounds for invalidity, I should like to draw attention to certain basic procedural principles.

First, it should be remembered that this is a regulated procedure. Both the CDR and its implementing regulation⁸ (‘CDIR’) outline the conditions under which OHIM shall examine the invalidity of a design. Articles 52 et seq. CDR, and also Articles 28 et seq. CDIR define the limits of our competence – the application for a declaration of invalidity. It still surprises me to read ex parte written submissions and observations that, implicitly or explicitly, request that the Division declare the validity expressis verbis of a design, ‘certify’ the novelty or individual character of a design, ‘acknowledge’ that the design infringes the trade mark invoked, or even rule on the existence and validity of copyright invoked in respect of the contested design. I maintain the opinion that our Division’s decisions should do no more than allow, as the case arises, the application for a declaration of invalidity, ruling on the invalidity of a design. Any other ruling, such as an express declaration of the validity of a design, would be to step beyond our powers.

The competence thus attributed to OHIM is not exclusive, but shared with the Community design courts (see Article 24 CDR). That having been said, the Community legislature has indeed showed a certain preference for OHIM’s administrative approach, as opposed to a judicial approach. For example, recital No 27 CDR clearly states: ‘A procedure for hearing actions concerning validity of a registered Community design in a single place would bring savings in costs and time compared with procedures involving different national courts’.

It is this line of argument, inspired by a desire for financial efficiency, that explains said preference being translated into the following:

- judicial power is partial, as it is recognised only in counterclaims, direct action being the exclusive preserve of OHIM (Article 24(1) CDR);

- where the validity of a design is brought before a court and subsequently before OHIM, the parties may request that OHIM is the body to rule in the matter, the court staying the proceedings (Article 91(2) CDR);

- in the event that the validity issue has arisen solely before the court, upon ex parte application the court may invite the defendant to submit an application for a declaration of invalidity to OHIM within a time limit to be determined by the court. If this does not happen, the judicial proceedings resume, and the counterclaim is deemed to have been withdrawn (Article 86(3) CDR).

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To a degree, this recital from the Regulation and this preference for the administrative approach require that OHIM deploy all necessary means to effectively translate the Community legislature’s requirement for a ‘saving in costs and in time’ into a tangible reality. Therefore, OHIM Designs Department policy aims to conduct proceedings in respect of invalidity rapidly and flexibly, avoiding unnecessary drawing-out of proceedings as far as possible. Experience shows that this is an effective approach: in 2005, the average time needed to finalise proceedings by means of a decision from the Division was 11.77 months; in 2006, the average time fell to 7.81 months and for the period 2003-2006 the average is 8.69 months.

It is also worth stressing that said approach is not to the detriment of due observance of the basic principles of the adversarial system – it could not be otherwise – in particular the principle of the right to a defence, which is a general principle of Community law, whereby addressees of decisions of public authorities which perceptibly affect their interests should be enabled to express their views effectively. As a result of this, Articles 62 and 63 CDR make express reference to the right to a fair hearing and the right to equality of arms. In this respect, it should be remembered that the Invalidity Division has the duty to invite the parties to comment on the observations submitted by the other parties, in accordance with Article 53(2) CDR, ‘as often as necessary’. This duty is not an absolute duty, rather it reflects a discretional power to request the arguments of the parties as many times as is necessary. The condition of ‘necessity’ is stated as an inescapable procedural assumption in order that OHIM requests further views from the parties. In practical terms, the Division is not obliged to invite the parties to submit arguments after the initial written submission, in any circumstances (see Article 31(4) CDIR). If, after a first round of observations, the Invalidity Division considers the arguments of the parties to have been duly submitted, with the result that there is no need for a further round of written submissions, the Division will tend to announce the end of the written phase of the proceedings. It will then move on to ruling in the case on the basis of the elements already submitted, which avoids drawing out the decision-making process. Naturally, these powers of discretion are conditioned by Article 62 CDR, namely that decisions must state the reasons on which they are based and it must have been possible for the parties concerned to have had the opportunity to present their comments on these reasons.

Second, the principle of the initiative of the parties (Article 63 CDR) requires that it is the parties who define the subject matter of the proceedings as it is they who provide the facts relating thereto. In a similar manner to adversarial proceedings managed by OHIM in the area of trade marks (specifically, trade mark invalidity proceedings pursuant to Article 55 CTMR), the subject matter of the inter partes design invalidity proceedings is confined by the facts, evidence and arguments submitted by the parties. The Invalidity Division rules solely in respect of the grounds for invalidity invoked and proven by the parties and has no power to examine, of its own motion, aspects not requested by the parties – the definitive expression of the procedural maxim ‘iudex judicare debet secundum allegata et probata partibus’. In this connection, it is relevant to point out the importance of the evidence furnished by the parties. Specifically, graphic reproductions of the prior designs invoked in the application for a declaration of invalidity in respect of a Community design must be adduced to the proceedings (see

9 See, in an equivalent Community trade mark matter, CFI judgment of 16 February 2000 in Case T-122/99 Procter & Gamble v OHIM (‘Soap bar shape’).
Article 28(1)(b)(v) CDIR\(^{10}\) Not only are such reproductions a prerequisite for the application for a declaration of invalidity to be admissible (Article 30 CDIR), but the resolution of the dispute will be based on those reproductions. Therefore, it is worth bearing in mind that the Invalidity Division does not search for graphic reproductions of prior designs cited by the parties in the latter’s arguments, even if such a search might be a simple matter (e.g. search for a model published in the Bulletin of the office where it was registered).

It is the applicant for a declaration of invalidity who bears the burden of proving the disclosure of the prior design, for which purpose evidence of the act of disclosure, wherever this may be, will have to be furnished. The interpretation of Article 7(1) CDR maintained by the Division to date relies on the premise that said provision does not limit acts of disclosure to those occurring on Community territory, this being the case by virtue of the actual wording of the article (note the slight difference in the text of Article 11 CDR, which mentions disclosure ‘within the Community’ for the purposes of the generation of an unregistered Community design). This is why disclosures occurring outside the European Union are legally relevant for the purposes of assessing the novelty or individual character of a Community design. Thus, the publication of a Japanese design in the bulletin of the Japanese Patent Office\(^{11}\) or of a ‘design patent’ by the USPTO\(^{12}\) constitute, to our understanding, acts of disclosure that meet the conditions of Article 7(1) CDR. Nevertheless, the holder of the contested design may assert the objection referred to in the second part of the first sentence of Article 7(1) CDR,\(^{13}\) consisting in invoking and proving that said acts could not reasonably have become known in the normal course of business to the specialised circles in the sector concerned, operating within the Community.

In addition, I would like to make special mention of the ‘sufficient’ nature of evidence. Documentary evidence is of little or no use if it does not provide the minimum information required for substantiating disclosure of the prior design invoked on a certain date. Evidence consisting of copies or non-original documents substantiating, without any doubt, disclosure itself is of little or no use. There are examples that demonstrate that even what would apparently be a simple procedure for the applicant results in an unexpected victory for the holder.\(^{14}\)

The unfortunate wording of Article 53(1) CDR, whereby ‘the Office shall examine whether the grounds for invalidity referred to in Article 25 prejudice the maintenance of the registered Community design’, should not be misunderstood: the Invalidity Division cannot examine instances referred to in Article 25 that have not been invoked and proven by the parties. Undoubtedly, that provision should be interpreted in conjunction

\(^{10}\) Every application for a declaration of invalidity shall include, _inter alia_, ‘where the ground for invalidity is that the registered Community design does not fulfil the requirements set out in Article 5 or 6 of Regulation (EC) No 6/2002, the indication and the reproduction of the prior designs that could form an obstacle to the novelty or individual character of the registered Community design, as well as documents proving the existence of those prior designs’.


\(^{13}\) The exception to the rule begins in the following terms: ‘except where these events ...’.

\(^{14}\) The decision relating to CD 000253273-0001 of 1 December 2006, for example, is noteworthy: the claim on the part of the applicant Burberry Ltd. was dismissed for lack of evidence since the documentary evidence relating to the prior design included merely a handwritten date! ([http://oami.europa.eu/pdf/design/invaldec/ICD_000002467_decision_(DE).pdf](http://oami.europa.eu/pdf/design/invaldec/ICD_000002467_decision_(DE).pdf)).
with the principle contained in Article 63. As a result of the aforesaid, it would be
wrong to view the OHIM Invalidity Division as a kind of review board or
re-examination panel composed of examiners dedicated to the revision, at the request of
one of the parties, from the standpoint of the prior art, of registrations granted. Such a
view, with all due respect, is in my opinion unjustified.

Third, an application for a declaration of invalidity is not only restricted to certain
grounds but is usually conditional upon providing evidence of a right of action.
Generally speaking, any of the grounds contained in Article 25 CDR can be invoked by
anyone, including public authorities empowered to do so (to submit an application for a
declaration of invalidity), with the exception of the following:

- where the person is not the legitimate holder of the registered design according
to Article 14 CDR: only the person ‘truly’ entitled to the Community design and
confirmed as such by a court within the context of a claim therefor may invoke
the ground of Article 25(1)(c) CDR; 16

- conflict between the Community design and a prior design disclosed after the
Community design application has been filed (so-called ‘hidden novelty ’): only
the holder of (or the applicant for) the prior design may invoke this
(Article 25(1)(d) CDR); 17

- use of an earlier distinctive sign in the registered design: only the holder of the
earlier distinctive sign protected in accordance with applicable legislation
(national or Community) (e.g. the proprietor of a Community trade mark) may
invoke this ground (Article 25(1)(e) CDR); 18

- unauthorised use of a work protected under copyright law is a ground that can be
invoked only by the owner of that work (Article 25(1)(f) CDR); 19

- improper use of any of the items protected by Article 6ter of the Paris
Convention (e.g. the OHIM symbol) 20 or other badges, emblems and
escutcheons of particular public interest in a Member State may be invoked
solely by the person or body affected by said use (Article 25(1)(g) CDR). 21

Notwithstanding the aforesaid, we should remember the power granted to Member
States to designate one or more authorities empowered to apply to OHIM for a
declaration, invoking the grounds of subparagraphs (d) and (g). In practice, however,
there is a question mark concerning use of this provision.

In sum, the invalidity of a Community design may be requested by any person and on
any ground except for those relating to the infringement or usurpation of earlier rights,
in the broadest sense. Does that mean, to conclude, that only holders of prior designs

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15 Article 52 CDR.
16 This limitation is contained in Article 25(2).
17 See Article 25(3).
18 See Article 25(3).
19 See Article 25(3).
21 See Article 25(4).
can request a declaration of invalidity in respect of designs registered later? No, it does not. Nothing prevents any party requesting that a design be declared invalid for lack of novelty with regard to the prior disclosure of a design belonging to another person. Legal operators should carefully select the ground for invalidity to be invoked, given the practical consequences of the rules that prevent the re-opening of cases ("res iudicata") where the basis of the case is identical: thus, an application ruled to be unfounded on one ground (e.g. lack of novelty) would not preclude the opening of a new case based on a different ground (e.g. infringement of copyright).

When making that selection, the complicated wording of Article 25(1)(d) CDR should not be misunderstood (in many written applications submitted to date there is evidence of a degree of confusion amongst users). This provision in no way covers any conflict between a Community design and a prior design. The holder of a design disclosed prior to the Community design cannot invoke subparagraph (d). In this instance, the lack of novelty of the subsequent design should be invoked, citing Article 25(1)(b) CDR, with reference to the requirements of novelty of Articles 4 to 7. This ground is available to anyone, without the need for the action to be justified by a public or private interest. Therefore, the ground of subparagraph (d) has a very precise scope of application that rarely arises in practice: only when Community registration occurs prior to the publication of the grant of the design applied for previously.

III. Evaluation of the conditions of novelty and individual character within the context of the procedure for a declaration of invalidity in respect of Community designs

OHIM can evaluate only the novelty and the individual character of a design within the context of proceedings for a declaration of invalidity. The Community legislature expressly wished to exclude from the process of examining the application for registration the basic substantive conditions defined by Article 4(1) CDR, which address the protection of a design as a Community design. For this reason, ‘substantive’ examination of an application for registration is intentionally restricted to the provisions of Article 47 CDR (definition of ‘design’ and compliance with public policy and accepted principles of morality).

The evaluation, therefore, of such conditions can be made in the exclusively post-registration phase, within the procedure laid down in Article 52 CDR. The subject matter of such evaluation ought to be described, clarifying as much as possible the issues of law decided on by the Community legislature. Given the nature of this task, the image of concentric circles seems to me to illustrate sufficiently the situation.

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22 See Article 52(3) and 86(5) CDR.
Novelty, defined in Article 5(1) CDR, would constitute the core of what is required: only the identity of a design with a prior design would destroy its novelty. No other factor or constraint would enter into consideration. If the design is not novel, the first of the conditions is not fulfilled and the design would have to be found null and void in accordance with Article 25(1)(b) CDR, to which we will refer below. In the image, I call this condition (without making any wider claims) ‘complete novelty’.

Superimposed on this core there would be a second circle, that of novelty as defined in Article 5(2) CDR: when two designs are identical save in respect of immaterial details, the novelty of the subsequent design is destroyed. In order to ascertain whether a design falls within this circle, the person making that judgment has to carry out an evaluation consisting in determining whether there are indeed ‘details’ and whether these details are ‘immaterial’. This evaluation, therefore, undoubtedly offers the ‘judge’ his or her first margin of discretion. If the evaluation is not duly substantiated, it could be branded as arbitrary. I call this condition, purely for the purposes of identification, ‘incomplete novelty’.

Lastly, and forming the third circle, the individual character or individuality defined in Article 6 CDR appears as a condition that supplements and reinforces novelty. In order to determine the fulfilment of this condition in a subsequent design, it is necessary to perform an evaluation that takes account of the following factors: a determination must be made of whether the subsequent design produces an overall impression that is different from that produced by another, prior design. This should be determined on the basis of the ‘informed user’ test and, lastly, should take into account the degree of freedom of the designer in developing the design whose individuality is being judged. As may be seen, there is a radical difference between the first circle and the last circle: for the purposes of the examination of novelty, no parameter or factor enters into the equation, and the assessment must therefore be as objective as possible (see later comments regarding the underwater motive device).

How can one know, therefore, whether a design is eligible for protection and its registration is valid? In my opinion, said design must, metaphorically speaking, be situated beyond these circles – if it is included in any one of them there is a prior design
that obviates the validity of the subsequent design, and therefore the subsequent design cannot, strictly speaking, be protected.

That being the case, I propose to illustrate assessment of these conditions taking, as a basis therefor, the grounds for invalidity of Article 25 CDR, specifically by examining some OHIM decisions given on those grounds.

a. Lack of novelty

The lack of novelty of the registered design is referred to in Article 25(1)(b), in connection with Article 5, CDR.

The Board of Appeal had occasion, on 8 November 2006, in Case 216/2005-3 (‘coffee maker’), to rule for the first time on this ground for invalidity, upholding the decision given by the Invalidity Division, stating the Community design (‘CD’) to be invalid on that ground.

The attached coffee-maker model was registered in 2003 by Isogona, S.L. Centrux applied for a declaration of invalidity on the basis of the grounds for invalidity of Article 25(1)(b) and (e) CDR.

As regards lack of novelty, the argument concerned the existence of a coffee maker with 14 faces, identical to the CD, marketed since the 1950s, and also the publication in 1999 of a figurative Community trade mark consisting of a plane drawing of said coffee maker, pre-dating the filing of the contested design (1 April 2003).

When the subject of the proceedings is defined by the parties, by their invoking various grounds for invalidity, the Invalidity Division usually examines them in the order in
which they appear in Article 25 CDR. In this case, it first examined the model’s lack of novelty on the ground of prior disclosure of an identical design.

To that end, for lack of clarity, it ruled out various items of documentary evidence (e.g. lack of reliable date for the disclosure, considering the mention ‘Christmas 2000’ to be insufficient). However, it did consider the graphic representation contained in the Community Trade Marks Bulletin – the representation of the figurative mark reproduced previously – to be sufficient to demonstrate disclosure of a prior design. Said representation (the plane drawing of a coffee-maker model) also contains a design as defined in Article 3(a) CDR, since it represents the appearance of a product (in this case, a coffee maker) resulting from the features of the lines, contours and shape. Publication in said Bulletin constitutes a disclosure within the meaning of Article 7(1) CDR, in so far as the design has been made public after the filing of an application for a Community trade mark.

Disclosure having been proven, there was next a comparative examination of the two designs with a view to identifying whether they were identical. In this respect, it was understood that the two designs differ in terms of three details, resulting from the colour and from the inclusion of a graphic element. On the other hand, features resulting from the lines, contour and shape are identical in both cases, and it is therefore concluded that the features of the two designs differ only in terms of immaterial details, in accordance with Article 5(2) CDR, in so far as there is total identity in terms of said three features, which are the significant defining characteristics of the design. The argument whereby the CD’s novelty resided in the interior of the coffee maker cannot be justified, since said interior was not reproduced in the graphic representation of the model and was therefore not protected.

Having ruled on the lack of novelty through disclosure of the graphic representation published in the Community Trade Marks Bulletin, the Invalidity Division gave a declaration of invalidity without the need to rule on the ground of subparagraph (e).

As I have stated, the Board upheld the decision. Of the decision given by the Board, the following points are worthy of mention:

First, the Board also adjudged the various documents provided by the applicant to be lacking in clarity, and invited it to provide the originals thereof, which it did. One wonders whether it might not have been more sensible for the parties, from the start, to provide full, clear documentary evidence – this would have made proceedings shorter.

Second, the Board rejected the appellant’s argument whereby the Division went beyond its remit by basing its decision on a ground not invoked by the applicant. Specifically, the proprietor argued that the applicant had invoked the Community trade mark for the purposes of subparagraph (e), but not for the purposes of subparagraph (b). By using said trade mark as proof of prior disclosure and annulling the Community design on that ground and not on the ground of subparagraph (e), it went beyond its remit. The Board confirms that this argument is incorrect, since the applicant did indeed, in its observations, point out that the mere existence of the trade mark demonstrates that the design was not novel. According to the Board, to state thus equates to stating that the Community model is devoid of novelty.
Third, the Board notes that when assessing whether a design is new the scope of the protection of the earlier trade mark is of no significance. The appearance represented in the trade mark and whether the design is identical to it are the only relevant aspects. The Board agrees entirely with the Division’s reasoning. Logically, I share this approach: the final ‘destination’ of the trade mark application is of little import – the fact is that the representation of the appearance of the coffee maker in a Bulletin constitutes a disclosure, and this principle was, for the first time, confirmed by the Invalidity Division on the occasion of the case in point. The Board’s confirmation is extremely positive, beyond the confines of the decision, since it implies that any trade mark application in a Bulletin, such as the OHIM Bulletin, may, in certain circumstances, destroy the novelty of a prior design. Think, for example, of an application for a figurative mark which, once published, would destroy the novelty of a design consisting of a logo identical to that mark. In this way, the registration of said models would be vitiated by a lack of novelty (unless the holder of the Community design could provide evidence supporting the exception of the period of grace, contained in Article 7(3) CDR), the registration of designs to a degree being shielded from possible abuse.

Fourth, as obiter dicta, the Board also supported the declaration of a lack of novelty on the basis of the photographs of identical coffee makers contained in magazines and catalogues, especially a catalogue from Christmas 1998. In light of this, I wonder whether the mention, as the title of a catalogue, of a season or period of a year is sufficient to confirm disclosure. On this point, the Board undeniably appears to favour a more flexible position than that held by the Invalidity Division, which usually maintains that a reference such as this, or something similar (e.g. the mention of the word ‘copyright’ plus a year) would not necessarily be sufficient to prove genuine disclosure beyond any doubt.

Lastly, the Board deals at length with two different aspects whose significance is also different, in my opinion: the first, which is undoubtedly relevant, is the confirmation that the interior finish of the coffee maker is not a feature of the registered model. Although the reason is not given, it is perfectly reasonable to assume that this is because the graphic representation of the model does not actually show any internal element that the holder wished to protect. So, the scope of protection of the design is undeniably conditioned by what can be perceived in the representation of that design – this principle is expressly mentioned in the Design Directive. 23 The second aspect however is, I feel, worthy of some criticism: there is a comment regarding the fact that the coffee maker’s relief valve is not protected, the argument being that its appearance is not covered by exclusive rights as it is solely dictated by its technical function, in accordance with Article 8(1) CDR. I fail to see why a ruling has to be given regarding an aspect about which, to my understanding, neither of the parties made any observation. Given the complexity of the conditions of Article 8 CDR, it strikes me such statement. Nevertheless, such finding did not adversely affect the Board’s general approach or make the order in the decision questionable.

23 See Recital No 11 of Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs, according to which ‘protection is conferred by way of registration upon the right holder for those design features of a product, in whole or in part, which are shown visibly in an application and made available to the public by way of publication or consultation of the relevant file’.
b. **Lack of individual character**

The lack of individual character of a registered design is referred to in Article 25(1)(b), in connection with Article 6, CDR.

On 28 November 2006, in **Case 196/2006-3 (‘underwater motive device’)**, the Third Board of Appeal gave its first ruling on this ground for invalidity, confirming the Invalidity Division’s decision that declared the invalidity of the Community design on that ground.

The attached Community design refers to an underwater motive device known as model ZS05. Said model was registered in 2004.

In August 2002, model ZS01 (reproduced below) was exhibited on the occasion of the ISPO fair in Munich, and was the subject of a European patent application published in April 2004. The Division considered the two designs to be identical except in terms of differences in the handle elements of the device. Although the differences could not be described as immaterial details, they were insufficient to produce a different overall impression on an informed user. None of the features of the contested design were taken into consideration on the basis of the alleged ground of Article 8 CDR. The Community design was ruled to lack individual character.

The Board confirmed the earlier decision, offering a series of principles that it is worth drawing attention to.

First, the Board rightly pointed out that both parties to the proceedings before the Division addressed the grounds for lack of novelty and lack of individual character jointly without making a clear distinction between these concepts. The Board took the opportunity to state that, clearly, novelty and individual character overlap to a certain degree, despite the fact that they are described separately in Articles 4 to 6 CDR. The Board stated that if two designs are identical except for immaterial details they will produce the same overall impression. It was also obvious to the Board that if two designs produce a different overall impression they cannot be identical. There is no objection to these rulings, but we should not be led thereby to other, hasty conclusions. Thus, as I understand it, it would be incorrect to hold that a design that meets the requirement of novelty also meets the requirement of individual character. It is perfectly
possible that, although novel because there is no proof of the existence of an identical prior design, a design might lack individual character because the overall impression is the same.\textsuperscript{24} Therefore, both conditions have to be fulfilled for the design to be validly protected.

Second, the Board itself acknowledged that there are certain differences between the two conditions. The ‘test’ for novelty, according to the Board, is essentially of an objective nature: all that has to be decided is whether two designs are identical. The only area where difficulties of interpretation might arise is in relation to the term ‘immaterial details’. The ‘test’ for individual character, on the other hand, is ‘less straightforward’ and more likely to give rise to slightly more subjective appraisals. Account should be taken of the overall impression on the informed user, having regard to the degree of freedom of the designer in developing the design. The Board stated that presumably this means that if the designer has relatively little freedom, especially in light of technical limitations, even small differences in relation to prior designs may be sufficient to endow the design with individual character.

In the case in point, the dispute between the parties was simple: the holder acknowledged that the registered design was an updated version of the ZS01 model. The only updated aspect was the handle element. According to the holder, this change conferred individual character on the updated model. The applicant for invalidity rejected that conclusion. The Board – correctly, in my opinion – pointed out that a comparative examination is performed on the registered design in its entirety. The holder could have registered only the handle element of the later model and in that case, according to the Board, the issue would have been different: whether the handle element in the earlier model and the handle element in the updated model actually produced the same impression. The Board dared to speculate (unnecessarily, I feel), asserting that the reply could have been in the affirmative.

The Board concluded that the comparison reveals that the overall impression is the same, on the basis of the same body, propeller and casing. The holder argued that the handle element is the component that deserves greater attention since it is the area where the designer had greater creative freedom, given the fact that the other components were dictated by technical function. The Board did not share this line of argument, concluding that the various components could be different without compromising that function.

As I understand it, the decision is held to be relevant for being the first OHIM Board decision to distinguish correctly between the substantive conditions of protection. In addition, the decision finds that the Invalidity Division is correct in applying the conditions of individual character, for example, without entering the debate as to ‘who is the informed user?’, a subject that the Board should also consider in subsequent decisions.

\textbf{c. Conflict with design disclosed after filing of the Community design}

Although, strictly speaking, the ground of Article 25(1)(d) CDR does not relate to the conditions of novelty and individual character, in practice the ground is indeed linked to

\textsuperscript{24} By way of example, see the Division’s decision relating to CD 000020318-0001 of 1 March 2005 (http://oami.europa.eu/pdf/design/invaldec/20318-0001.pdf).
those conditions, just as the Third Board of Appeal declared in the first decision to be taken by OHIM in the area of design invalidity (Case 1001/2005-3 of 27 October 2006 in the ‘metal rappers’ (‘tazos’) case. For this reason, and because it was the Boards’ first decision in the area of designs to be appealed before the CFI, I feel it is relevant to comment upon it.

Before examining the case, it is at least worth commenting on the strange fact that subparagraph (d), which is relatively exceptionally applied, should nevertheless enjoy prominence through being the ground on which the Invalidity Division took its first decision (proceedings No 24) in April 2004, in the ‘bar stool’ case. 25

Key to this ground for invalidity is defining what is understood by ‘conflict’ between the two designs at issue.

In the June 2005 decision relating to ‘metal rappers’,26 the designs alleged to be in conflict were a registered design for promotional items for games, filed in September 2003, and another design for a metal plate for games, filed at OHIM in July 2003. Both models claimed priority from Spanish designs filed in July 2003.

The proceedings examined the three grounds invoked: lack of novelty, lack of individual character and conflict with a prior design disclosed after filing of the contested Community design application. The Invalidity Division found that the first two grounds did not apply as the metal-plate design was disclosed in November 2003, i.e. after the application for registration of the contested design was filed. On the other hand, the Division held that the third ground did indeed apply, ruling that the concept of ‘conflict’ should be interpreted in accordance with the Regulation. Conflict exists when the overall impression on the informed user produced by the Community design is the same as that produced by the prior model, since said user is aware that the articles at issue are usually marketed bearing graphic components on their surface and will therefore pay greater attention to these components than to small variations in the basic shape of the articles. It was considered that the degree of freedom of a designer was limited only in so far as these items are limited in terms of having to be safe or that they have to be fit to be added to the promoted products. The Division held that when, in a case such as this, the design of the promotional item comes close to that of the metal plate – despite the freedom enjoyed by the designer – the overall impression created is the same when the two models share the same basic features, such as their circular shape with an outer rim surrounding the central area. Despite the fact that they differ


26 In fact, three decisions relating to CDs 000074463-0001, 000074463-0002 and 000074463-0003 are involved, all three appealed before the Boards, although only the first one is the subject of appeal to the CFI, and therefore we will limit our discussion to that first one.
only by minor deviations in the profile of the central area, they produce the same overall impression and therefore the Community design of said articles enters into conflict with the Community design of plates.

The Board did not share this opinion and reversed our decision. First, it dismissed the alleged violation of the appellant’s right to a defence since each party made use of four rounds of written submissions, between the proceedings before the Invalidity Division and those before the Board. The Board considered that, after such an exchange, the facts and issues were clear and therefore the Board could take a decision, there being no reason for prolonging the duration of the proceedings by the presentation of further arguments. This assertion undoubtedly justifies the approach I defended earlier, in that it is OHIM that decides when the time has come to consider that a further round of observations between the parties is unnecessary and will contribute nothing new.

Second, the Board confirmed the Division’s interpretation regarding the concept of ‘conflict’. To illustrate, it opined that a conflict arises when the design invoked would, if it had been disclosed before the filing date of the contested design, have deprived the subsequent design of individual character within the meaning of Article 6 CDR. The Board added, correctly in my opinion, as obiter dictum, that a conflict would also exist when two designs are identical within the meaning of Article 5 CDR. Such a comparison seems correct, to me, as the underlying argument (although not expressed thus by the Board) is the same as that which we use in the Division. Conflict exists when the design invoked and the contested design fall under the same scope of protection. That is to say: we know, in accordance with Article 10 and with Article 9 CDR, that the scope of protection of a registered design extends to any other designs that might not produce a different overall impression in informed users, taking into account the degree of freedom of the designer when developing it. When a contested design does not produce a different overall impression from that of the invoked design that is protected by an earlier, granted registration right, the contested design falls within the scope of protection of the protected design – therefore, it enters into conflict with the protected design. Therefore, assessing whether a contested design is in conflict requires an analysis of whether it enters into the scope of protection of the prior design, which necessitates a comparison identical to that performed when the individual character of a contested design is assessed, given the fact that Article 10 CDR (scope of protection) and Article 6 CDR (individual character) establish identical interpretative parameters: different overall impression, informed user, freedom of the designer. The conclusion? Both subparagraph (b) and subparagraph (d) rely on one and the same concept being interpreted: that of different overall impression. For that reason we stated that there is undoubtedly a practical link between the ground of subparagraph (d) and those of subparagraph (b), specifically individual character.

In practice, therefore, the difference between the grounds of subparagraph (b) (novelty and individual character) and subparagraph (d) (conflict) relies solely, as far as comparison is concerned, on the invoked design having been disclosed before the contested design, if we study subparagraph (b), but after, if we study subparagraph (d). Nevertheless, it should not be assumed that this is the only difference: do not forget that in order to invoke subparagraph (d) ownership of a prior registration right in a design must be substantiated so that only the holder thereof can validly invoke this ground for invalidity in the written submission. This allows me to bring to your attention something that sometimes goes unnoticed: although subparagraph (d) is based on the
principle that the prior design is protected by being registered or by having been filed in accordance with Community or national legislation (which excludes, for example, a national design that is unregistered but protected in accordance with, for instance, UK legislation, in which this possibility exists), in order to invoke subparagraph (b) it is not a prerequisite for the prior design to be protected. What is more, this may be a design that has merely been used on the market or that has been exhibited but never registered at any registration office, or it may even be a design that was registered but whose period of protection has expired. For that reason, subparagraph (b) can be invoked by anyone without the need to prove registered ownership.

Third, as regards ‘informed user’ based on an indeterminate but determinable legal concept, the Board states that a number of people could be regarded as informed users and – this is the relevant point – it matters little which of the categories listed (a child or a marketing manager) is, in fact, the relevant category. What is important is that this informed user should be someone familiar with the phenomenon of promotional ‘plates’.

Fourth, the Board mentioned that both the parties had submitted examples of the items and that there was much debate about the relevance of those examples as evidence. The Board stated that a comparison must be based on the designs, not the products. However, significantly, the product samples are relevant inasmuch as they condition the overall impression that the registered design will have on the informed user.

Fifth, regarding the designer’s degree of freedom, the Board did not share the Division’s view: it understood this to be a matter concerning a particular type of promotional item, in particular those of the ‘rapper’ or ‘metal plate’ type. In this category, so the Board stated, it is relevant to ascertain how much margin the designer has when, in the ‘brief’ he is commissioned to design a promotional item of the ‘metal plate’ type. The Board stated that in this case his freedom would be severely restricted, since the paradigm for this type of ‘product’ is a small flat or nearly flat disc on which images are printed. Often, the disc will be curved at the centre so that it makes a noise when the child presses the centre. In these circumstances, the designer has little freedom and therefore small differences will suffice to create a different overall impression.

In my opinion, the Board’s approach to designer freedom is incorrect on two counts. On the one hand, it links the designer’s freedom to the ‘design brief’27 drafted on the basis of the instructions received from the company wishing to develop the design. This would mean that the conditions contained in that brief (or in any commission contract)

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could serve as an ‘excuse’ to argue for little freedom of development. Taken to the extreme, this would have negative consequences and such a link should therefore be rejected: if a designer receives a commission to develop a new model of handbag, provided that handbag ‘resembles’ a known model from a luxury company, the design that results from that commission could have individual character if, despite being deliberately inspired by the original model it is ‘desired to imitate’, it distances itself from it by incorporating albeit small components that confer individual character on it as compared with the original. It seems unreasonable to me that creative freedom, deliberately restricted by means of an agreement between the ‘owner of the work’ and the designer, should justify acknowledgement of that individual character, since this would restrict the scope of protection of the prior design, which might be protected. I therefore feel that the commission for the work and/or the documents drawn up by the parties in relation thereto cannot be regarded as one of the factors that determine the greater or lesser degree of the creator’s freedom. On the other hand, I tend to believe that the Board, when defining the products to which the designs apply, has been over-rigorous. No one will doubt that these are promotional items. Nevertheless, given the market, there is clearly a variety of shapes for promotional items, and not all of them are basic round shapes made from metal, as is the case with the items with which we are dealing. Every parent has been in a situation in which he or she has purchased ‘rappers’, ‘chaps’, ‘kraks’, ‘bleyblades’, etc., promotional items that, with different shapes and content, as may be appreciated from the images reproduced, are made available to the user. Nevertheless, they all tend, in fact, to exhibit various graphic components relating to characters that are more or less well known to the end users of the product, namely children. Children can usually distinguish perfectly well between such items, particularly on the basis of the characters they include and their shape.

However, the Board, by focusing its attention on part of this promotional-item sector (that of metal plates), instead of gaining an understanding of the entire promotional sector, could not but restrict the creator’s freedom, which, ultimately, would lead to a restriction on the scope of protection of the prior design.

In any event, the Board did not share our decision, as it allowed the appeal and annulled the Division’s decision, considering that the difference in the profile of the two models is not a detail to pass unnoticed by the consumer of metal plates, such that this feature is sufficient for the two items to give a different overall impression. The ruling was that there is no conflict between the two designs.
d. Use of a distinctive sign in a subsequent design

It would be interesting to comment on this ground for invalidity, although it is not, strictly speaking, included amongst the conditions of novelty and individual character. It is, however, a ground that is usually cited together with those of novelty and individual character and is where the crossover or interface between trade-mark law and design legislation is more obvious, and therefore I feel that this commentary would be incomplete if I did not make reference to it. In addition, as the Boards have now given a first decision in this area it deserves at least some comment.

According to Article 25(1)(e) CDR, the holder of a distinctive sign that has been used in a subsequent Community design may apply for the latter to be declared invalid, provided the conditions of that provision are fulfilled. This ground is usually termed ‘trade-mark infringement’.

By decision of 28 November 2006 in Case 1310/2005-3 (‘biscuits’), the Board ruled for the first time on this ground for invalidity, confirming the Invalidity Division’s decision stating that the Community design was invalid on that ground.

In November 2003, OHIM registered a biscuit model (reproduced below). The proprietor of the Spanish trade marks shown here applied for the model to be declared invalid for lack of novelty, individual character and for use of the trade mark.

The Division refused the application. It considered lack of novelty to be not proven, because the two biscuit designs were not identical. It was accepted that publication of the graphic representation of the biscuit applied for as a trade mark in the Spanish Official Bulletin of Intellectual Property constituted a disclosure within the meaning of Article 7 CDR. As regards the lack of individual character, differences in the decoration on the surfaces of the biscuits were observed, these being aspects the informed user gives greater attention to over and above the features the biscuits share (the round shape in the form of two layers with a filling in between). Lastly, regarding use of the distinctive sign, the Division considered the existence of a trade mark protected in accordance with national legislation implementing Article 5 of the Trade Marks Directive to be proven. The Division examined whether the conditions of identity or similarity of goods were fulfilled and whether there was identity or similarity of signs, using the benchmarks of applicable trade-mark legislation to do so. In particular, it found that a global appreciation of the visual and conceptual similarities between the trade mark and the design led to the conclusion that there was a lack of similarity.
between the two articles, despite one being a design applied to a biscuit and the other a sign applied on a biscuit.

The trade mark proprietor filed notice of appeal against this decision on the two grounds of lack of individual character and use of the distinctive sign. The Third Board of Appeal concluded that the appeal was unfounded and confirmed the decision to refuse the application for a declaration of invalidity that had been given by the Division.

Regarding the first ground, the Board, when characterising the informed user, describes that character in detail, defining it as someone who would normally use a product. The adjective ‘informed’, according to the Board, suggests that this person has basic information regarding the product: he or she is aware of the offering of biscuits available on the market and knows that there are round biscuits and biscuits of other shapes, with a smooth or non-smooth border, and that there are plain biscuits and sandwich-type biscuits, such as those involved in these proceedings. The Board goes further, identifying the user’s range of knowledge and concluding that in the case of biscuits the user is someone who usually purchases biscuits in order to eat them for afternoon tea or as a snack, i.e. an ordinary person with no professional knowledge of the sector (unlike an expert in industrial design or a manufacturer of biscuits or similar goods), albeit someone familiar with this type of product. The Board went on to conclude that said user makes a conceptual distinction between the technical properties of the ornamental components. Personally, I find all these assertions regarding this character to be excessive – what I believe to be relevant is the requirement that there be familiarity, not expertise, on the part of the user concerning the product.

The Board considered that the Division acted correctly in limiting the comparison to the surfaces of the two biscuits, since it is how the biscuits are decorated that stands out from the various claims of the parties as being relevant. In this respect, the Board ratified everything the Division said, since it is the ornamental motifs that distinguish between the biscuits the most. The Board concluded that the overall impression results from the eye-catching decoration on the surface, which is different from the impression produced on an informed user by the decoration of the prior trade mark.

As regards the second ground, the Board simply confirmed the right to prohibit use of the trade mark in accordance with Spanish legislation. The appeal was based on the argument of the similarity between the design and the trade mark, given the fact that both cases relate to a sandwich-type biscuit in which two black layers enclose a white filling. The Board’s opinion is that the simple fact that the model uses a biscuit configuration of this type cannot represent an infringement of the trade-mark right because said configuration is not protected as such by the trade-mark right because it is the obvious and necessary shape that must be used when attempting to place a layer of cream between two flat biscuits. What the earlier trade mark protects is not the idea of the sandwich-type biscuit but a biscuit such as that registered, namely with black layers, a white filling and a decoration made using geometric motifs.

It concluded that in the contested design neither a coloured layer nor a filling was claimed and the surface decoration is not even remotely similar to the decoration on the trade-marked biscuit. It is therefore incorrect to state that the earlier trade mark is used on the contested model and as a result the contested model does not infringe subparagraph (e). The appeal was dismissed.
As we can see, this was the same conclusion as that reached by the Invalidity Decision, although the approach used by the Board is different: for the Board, the trade mark cannot be said to have been used in the design. It did not make a detailed comparison between the sign and the design in accordance with the ‘tests’ that would be used in a trade mark opposition case.

In May 2007, the Third Board has again ruled in relation to this ground of invalidity in the Case 609/2006-3 (‘MIDAS’). The Board confirmed the decision of the Invalidity division, confirming the invalidation of the contested design since the owner of the trade mark ‘MIDAS’ could prevent the use of word ‘MIDAS’ in the contested RCD. Nevertheless, the Board did not share the analysis of the Division, since it considered that the trade mark and the sign used in the RCD were, in their overall impression, similar, not identical, as the Division had ruled.

Finally, the ground for invalidity of subparagraph (e) will shortly be cited in further decisions of the Third Board of Appeal, specifically in the cases relating to the ‘STABILO’ marker, and it will therefore be appropriate to re-examine how the Board assesses the conditions contained in that subparagraph (use of a distinctive sign, sign protected by Community or national legislation).

IV. Conclusions

It is fair to conclude that, within the relatively new field of Community design legislation, exploration of the various concepts of novelty and individual character has begun – correctly so, in my view.

Admittedly, that exploration has been limited, given the low probability, from a purely statistical standpoint, that applications for a declaration of invalidity will be submitted to OHIM against designs it has registered. Nevertheless, this does not mean that work connected with design invalidity proceedings should be viewed as inferior or performed with less dedication, either by OHIM itself or by professionals. As I stated earlier, the effectiveness of the Community design will greatly depend on how OHIM and the courts apply the above-mentioned protection conditions.

In this respect, the worst that could happen to the Community design system is that over the years it becomes simply a registration system that is ‘easy to enter and difficult to leave’ (by ‘difficult to leave’, I mean that it is practically impossible to revoke a registration). This is not OHIM’s intention in any way, in fact, quite the opposite. Recent OHIM practice demonstrates that once an application for a declaration of invalidity has been submitted it is more probable that we will revoke the registration than refuse the application for a declaration of invalidity, although this statistical fact is not evidence of an intentional predisposition to revoke granted registration rights in order to strengthen the system. I can confirm that there is no such guideline within the Office.

Novelty and individual character, hitherto the preserve of learned and legal commentary, are now procedural arguments and, as such, deserve to be understood and applied correctly, particularly in terms of their correct substantiation (‘sufficient evidence’) and assessment. Whether OHIM’s decisions, both at first instance (the Invalidity Division) and at the appeal stage (the Third Board of Appeal) will establish a clear, foreseeable, coherent and harmonious reference framework for the purpose of facilitating that understanding and application, only time will tell. I assure you that the desire of all those of us who play a part in making decisions within the design invalidity proceedings area is undoubtedly the following: on a day-to-day basis, to give administrative decisions (not lessons in law) that are consistent and can serve as reference points for users and, if possible, for other bodies or persons applying the law.

I am therefore encouraged by certain comments that to a degree indicate how our wishes are becoming reality.

On the one hand, we are beginning to see references to our decisions in the proceedings of a number of courts. For example, in a recent judgment of the High Court of Justice in the ‘Procter & Gamble Co./Reckitt Benckiser (UK) Ltd’ case, relating to a registered Community design of a spray device, the judge admitted that OHIM decisions provide ‘useful guidance’, which is confirmed in a number of passages in the judgment, where specific reference is made (‘I prefer the approach in Eredu [decision No 24]’, ‘Mr Carr’s approach [...] is, in my judgment, supported by the practice of OHIM’, ‘They are, to use the language of OHIM in Eredu, non-necessary features’, etc.) to the Invalidity Division’s approach to novelty and individual character as the hermeneutic criterion underlying the notion of a design’s ‘scope of protection’, when ruling in an action for infringement of a Community design. There are also references to our decisions in those of the Community trade mark courts in Alicante, when the latters decide on interim measures or in declaratory proceedings in respect of infringement of Community designs.

Furthermore, user-satisfaction regarding performance in design invalidity actions was surveyed in 2005 and in 2006, and the results of this identified the area of designs as one of the best for which OHIM is responsible. Our work – that of helping to consolidate the system through the evaluation of its basic conditions; in short, novelty and individual character of the designs to be registered – will continue.


31 Thus, in the judgment of 21 December 2005, in proceedings No 292/2005, in Case ‘Panini España SA/Kellogg’s España SL’, reference is made to an OHIM decision that did not equate the average consumer to the informed user.