

O-103-09

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

**IN THE MATTER OF REGISTERED DESIGNS 4005381, 4005382, 4005947 AND  
4005948**

**IN THE NAME OF MINXIMOO LIMITED**

**AND**

**THE CONSOLIDATED APPLICATIONS FOR INVALIDITY (03/08,04/08,06/08 AND  
08/08)**

**BY KAREN RONNEBACK**

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

**IN THE MATTER OF Registered Designs 4005381, 4005382, 4005947 and 4005948**

**In the name of Minximoo Limited**

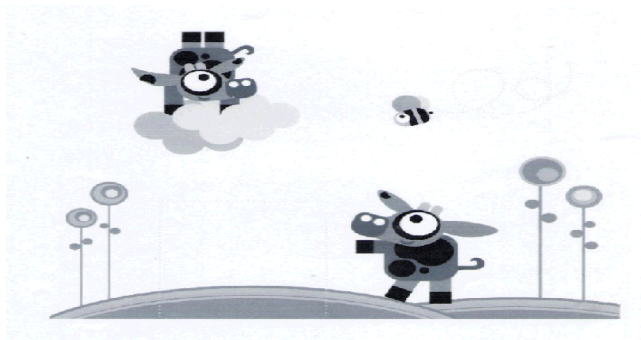
**and**

**The Consolidated Applications for Invalidation (03/08, 04/08, 06/08 and 08/08)  
by Karen Ronneback**

**Background**

1. Minximoo Limited (“ML”) is the proprietor of the above mentioned registered designs. The effective date of registration for Nos 4005381 and 4005382 is 23 November 2007 and for Nos 4005947 and 4005948 is 18 January 2008. The designs are shown below and are all registered as designs for textiles, wallpaper, clothing and posters .

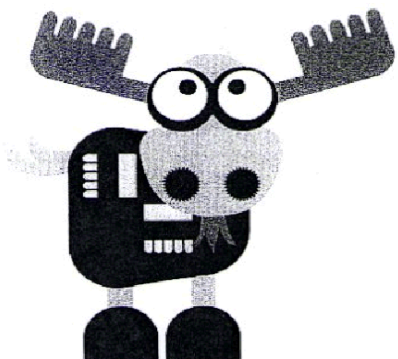
No. 4005381:



No. 4005382:



No. 4005947:



No. 4005948:



2. On 25 January 2008, Karen Ronneback requested that designs 4005381(381) and 4005382 (382) be declared invalid and, on 31 March 2008, followed suit in relation to designs 4005947 (947) and 4005948 (948). The basis of Ms Ronneback's applications for invalidity in relation to designs 382, 947 & 948 is:

a) under s.11ZA(2) of the Act because the registered proprietor of the designs is not the lawful proprietor, the owner of the designs objecting, and

b) under s.11ZA(4) because the registration of the designs constitutes an unauthorised use of a work protected by the law of copyright and that the owner of the copyright objects.

3. In relation to b) above, Ms Ronneback claims that the owner of the copyright for these three designs is Emma Jameson, though she also claims to have

commissioned these designs, which, if true, would mean that she is actually the initial legal owner of the these designs under UK design law.

4. Ms Ronneback claims that she created design 381 as it was her who created the flowers and general arrangement of the cow character, although she acknowledges that the copyright in the cow character itself belongs to Emma Jameson. Ms Ronneback claims that the registration of this design is contrary to s.11ZA(4) because the registration of the design represented an unauthorised use of a design protected under the law of copyright. Ms Ronneback is not legally represented in these proceedings and her legal pleadings are not entirely clear. However, I think that it is tolerably clear that she also objects to the registration of design 381 under s.11ZA(2) of the Act on the ground that she is the legal owner, or at least joint legal owner, of that design.

5. Counterstatements were filed by ML on 15 April 2008 and 13 May 2008 respectively, denying the grounds for invalidation. The separate proceedings were subsequently consolidated on 28 May 2008. Both sides filed evidence. Neither side requested a hearing, nor did they file written submissions in lieu of a hearing. I have therefore been left to determine the matter by making the best I can of the evidence before me.

### **The Evidence**

6. The evidence in this case is provided in the form of two witness statements by Ms Ronneback and, on behalf of ML, two by Ms Zoe Bawtree. Ms Bawtree is the sole director and a shareholder of ML. Most of the evidence relates to the history of the business relationship between Ms Ronneback and Ms Bawtree. There is general agreement about the relevant facts, with some exceptions. I will not, therefore, summarise each side's evidence sequentially as this will inevitably lead to repetition. Rather, the history between Ms Ronneback and Ms Bawtree can be summed up as follows. There was a business relationship in the nature of a partnership between the two women, the main driver for which was the appearance of Cheltenham House, which is owned Ms Bawtree, on the television programme (and later in the magazine) Grand Designs. This exposure of the house and its interior provided the opportunity for spin off commercial ventures. The business created by the women centred on the creation of some original designs. The plan was that after the house and the designs had been widely exposed to the public through Grand Designs, these original designs would be commercially exploited in connection with a trade in wall stickers and other children's products.

7. It is common ground that Ms Bawtree approached Ms Ronneback in July 2007 to come up with some designs in order to take advantage of this business opportunity. In her first witness statement Ms Bawtree claims that:

“...it will be apparent that the designs in question were commissioned by me personally on behalf of my business, Minximoo, before my company was incorporated, and under my original agreement with Ms Ronneback this was to be in return for a 40% share in the Minximoo business.”

8. In her second witness statement Ms Bawtree clarifies what she meant by the word “commissioned” and also the alleged consideration accepted by Ms Ronneback. She says this.

“ [Ms Ronneback ] openly states....that ‘from the very beginning the work was produced as a partnership not as a commission’. This is entirely correct in the partnership sense and my earlier reference to the work being commissioned was merely in the context of it being commissioned for the Minximoo business. The payment for that commission, or however else the arrangement should properly be described, was a 50% share in the Minximoo business for Ms Ronneback, as had originally been agreed.”

9. In her second witness statement, Ms Ronneback agrees that “the works were created for a 50% shareholding of a partnership company with Ms Bawtree”.

10. It is common ground that the characters shown in the four designs at issue were created by Emma Jameson. According to Ms Bawtree’s first witness statement:

“[Ms Bawtree] first became aware of the involvement of Emma Jameson in late September 2007 when Ms Ronneback let slip that she had used a friend of hers to do the characters, but she maintained she had developed the cow [character] right up until she refused to assign the copyright, where she said ‘she was sure that she had done had it, but Emma insists she did, but don’t worry we can just change is (sic) by 20% and it will be fine’.”

11. According to Ms Ronneback, Ms Bawtree was aware of Emma Jameson’s involvement by 9 August 2007, but nothing turns on which date is correct.

12. Following the creation of these designs, the business relationship between Ms Bawtree and Ms Ronneback broke down and ML applied to register the designs at issue. The timings of key points in the history of Ms Ronneback’s and Ms Bawtree’s business relationship are shown in the timeline below. This essentially outlines the facts that are no longer in dispute.

### **Timeline of events**

13. October 2006 – initial meeting between Ms Bawtree and Ms Ronneback, in which Ms Bawtree originally put forward plans for a business called Minximoo selling children’s clothing. This plan was not pursued at this stage.

July 2007 – Ms Bawtree re-initiates contact with Ms Ronneback with a view to a setting up a business producing children’s characters to use on wall stickers. It is common ground that at this meeting they agreed to set up a company together as a partnership, with Ms Ronneback providing the design work.

27<sup>th</sup> July – 15<sup>th</sup> November 2007 – a series of email correspondence between Ms Ronneback and Ms Bawtree took place (as shown in Exhibit ZB6 to Ms Bawtree’s first witness statement). These appear to show that during this

period, both Ms Ronneback and Ms Bawtree were working together in partnership. The content of these emails is agreed by both parties.

10<sup>th</sup> October 2007 – a quote was produced by Ms Ronneback outlining the cost for Ms Bawtree to purchase the copyright for the designs. This was not pursued by Ms Bawtree and the circumstances surrounding the production of this quote are disputed, but nothing turns on who asked for it.

10-22 October – the final of ‘Grand Designs’ was held and some of the designs were shown in the program.

31<sup>st</sup> October 2007- Ms Ronneback registers the domain name minximoo.co.uk in the name of her business Chalk DK.

14<sup>th</sup> November 2007 – ML is incorporated as a company with Ms Bawtree as its sole shareholder and Director.

16 November 2007 - Ms Ronneback sent an e-mail to Ms Bawtree with proposals for ML: she and Emma Jameson would retain ownership of the copyright in the designs, but ML would have the right to use them.

18 November 2007 - Ms Ronneback says that she provided Ms Bawtree with the final artwork for the last designs.

19 November 2007 – Ms Bawtree responds to Ms Ronneback’s e-mail of 16 November stating that it is important that ML owns the copyright in the designs and asks to talk it over with Ms Ronneback that day.

20 November 2007 – The parties agree that the partnership was ended. There is a dispute about which partner left the business.

22 November 2007 - Ms Ronneback makes an application to Companies House to record her resignation as a Director from ML, but later discovers that she was never recorded as a Director.

22 November 2007 – Emma Jameson responds to an e-mail of the same date from Tim Bawtree (Zoe Bawtree’s husband) indicating that a) one of the designs, which she describes as “the wall” was jointly designed with Karen Ronneback, and that b) she does not want to assign her copyright in the other “characters” designs.

23 November 2007 – ML applies to register designs 381 and 382.

18 January 2008 – ML applies to register designs 947 and 948.

## **Disputed Facts**

### **The end of the partnership**

14. Ms Bawtree, in her second witness statement, claims that on the 16<sup>th</sup> November 2007, Ms Ronneback changed the terms of their partnership. In essence, Ms Ronneback wanted the ownership of copyright to be retained by her personally, to which Ms Bawtree would not agree. Exhibit ZB14 of Ms Bawtree's second witness statement shows an e-mail exchange on the matter between Ms Bawtree and Ms Ronneback with an e-mail being sent from Ms Bawtree to Ms Ronneback on the 19<sup>th</sup> November. Ms Bawtree claims that this was the point where the partnership effectively ended. Ms Ronneback strongly refutes that she changed the terms of their agreement and further claims to have no knowledge of the e-mail from Ms Bawtree of 19 November. She says that they had a meeting that day, from which there was no indication that the partnership had ended. Ms Ronneback claims that Ms Bawtree pulled out of the partnership via a phone call during the afternoon of 20<sup>th</sup> November 2007, following a morning meeting. Ms Ronneback at this stage agreed to end the partnership. She attaches a contemporaneous e-mail at exhibit KR04 of her first witness statement in support of this. Ms Ronneback also claims that a further meeting took place between her and Ms Bawtree on 21<sup>st</sup> November to discuss fair distribution of the business's assets. This is not confirmed by Ms Bawtree and as such the circumstances of the partnership ending remain in dispute. However, the important point is not how it ended, but that it did.

### **Invalidation of Designs 382, 947 and 948 on the Grounds of Unauthorised Use of Copyright works**

15. Section 11ZA(4) states:

“The registration of a design constituting an unauthorised use of a work protected by the law of copyright in the United Kingdom may be declared invalid on the ground of an objection by the owner of the copyright”.

16. The application for invalidation of these designs has been brought by Karen Ronneback. However, the true owner of the copyright in these designs appears to be the author, Emma Jameson. Both Ms Ronneback and Ms Bawtree, on behalf of ML, appear to accept this as fact.

17. Emma Jameson is not a party to these proceedings. Further, she has filed no evidence in these proceedings which shows that she objected to the registration of these designs at the time that the applications for invalidation were filed. In these circumstances, Ms Ronneback's applications to invalidate designs 382, 947 and 948 as an unauthorised use of Ms. Jameson's copyright must be rejected on the grounds that Ms Ronneback does not have the necessary standing to bring the complaint.

### **Invalidation of Designs 382, 947 and 948 on the Grounds that the Registered Proprietor is not the Proprietor of the Design, the true proprietor objecting.**

18. Section 11ZA (2) of the Registered Designs Act 1949 (As Amended) states:

“The registration of a design may be declared invalid on the ground of the registered proprietor not being the proprietor of the design and the proprietor of the registered design objecting”.

19. The relevant part of Section 2 of the Registered Design Act 1949 (as amended) is as follows:

“2. Proprietorship of designs

(1) The author of a design shall be treated for the purposes of this Act as the original proprietor of the design, subject to the following provisions.

(1A) Where a design is created in pursuance of a commission for money or money’s worth, the person commissioning the design shall be treated as the original proprietor of the design.

(1B) Where, in a case not falling within subsection (1A), a design is created by an employee in the course of his employment, his employer shall be treated as the original proprietor of the design.

(2) Where a design becomes vested, whether by assignment, transmission or operation of law, in any person other than the original proprietor, either alone or jointly with the original proprietor, that other person, or as the case may be the original proprietor and that other person, shall be treated for the purposes of this Act as the proprietor of the design.

(3) In this Act the “author” of a design means the person who creates it.

(4)\_”

20. It is true that in the grounds for invalidation of these designs, Ms Ronneback states that she commissioned them from Emma Jameson. However, no evidence was filed to support this claim. Further, although Ms Ronneback is not legally represented in these proceedings it is clear from her evidence that she is familiar with the law covering the ownership of commissioned designs. The omission of any relevant evidence is therefore telling. There is no dispute that Emma Jameson is the owner of the copyright in the works. In these circumstances, I find that Ms Ronneback’s claim to be the owner of these designs must be rejected. Consequently, the ground for invalidation under s.11ZA(2) of the Act fails.

**Invalidation of Design 381 on the Grounds of Unauthorised Use of a Copyright works and Registration in the Name of a Person not being the Proprietor of the Design**

21. As the person claiming joint ownership of the copyright and of the design, Ms Ronneback appears to have the necessary standing to bring this application.

22. It is self evident that the design 381 is an artistic work. It appears to be common ground that it is an original work and therefore subject to the law of copyright. Consequently, unless the registered proprietor of the design is the proprietor of the



design and the copyright in the work (or that the registration of the design was an authorised use of the copyright work), the registration of the design is liable to be declared invalid.

23. In her first witness statement dated 14 April 2008, which was filed in connection with the application to invalidate designs 4005381 and '382, Zoe Bawtree states that:

“I am therefore of the belief that although Ms. Ronneback purported to sell copyright in these designs to me at that time, before my company was incorporated, she was only in a position to sell some of them to me i.e. ones in which she owned the copyright.”

24. The exact date that design 381 was created is not clear from the evidence, but it is evident from this statement that it is accepted that it was created before 14 November 2007 when ML was incorporated. Two things appear from this statement. Firstly, it does not appear to be disputed that:

- i) Ms. Ronneback is accepted to be at least joint owner of the copyright in one or more of the designs;
- ii) Design 381 was created before Minximoo Limited was incorporated.

25. Secondly, it appears from Ms Bawtree's evidence generally and the parts shown in paragraphs 7 and 8 above, that it is not in dispute that Ms Ronneback is the author or co-author of design 381. The real issue under s.11ZA(2) is therefore whether ML can claim to have commissioned the work and thereby qualifies as the first proprietor of the design under s.2(1A) of the Act.

### **Was design 381 commissioned? And if so, by whom?**

26. Whether the design was commissioned turns, in part, on what the word “commissioned” actually means in this context. Ms Ronneback, in her first witness statement, describes how a commission usually proceeds. First of all, a quote is given for the work required and on agreement to the quote, work begins. During the work, creative direction is given by the client and the work is delivered according to their requirement. On completion of the work, an invoice is sent and on payment of the invoice, the works and associated copyright passes to the client who commissioned the work. However, section 2(1A) of the Act expressly provides for a design to be commissioned for “money's worth”, so the absence of any transfer of money, or agreement to pay money as such, does not mean that the design was not commissioned.

27. I am in no doubt that, in principle, an agreement that a design will be created in return for shares in a company may qualify as a commission for money's worth. However, where the person said to have been commissioned to create the design, and the person said to have done the commissioning are partners together in the business for which the design were created, it seems artificial to me to look upon the agreement to split the shares in the company intended to be incorporated as a vehicle for that business, as a commission. Further, it begs the question who was the commissioner? ML did not exist when the design was commissioned so it was not

the commissioner. And it is common ground that the designs were initially created for the partnership. Consequently, Ms Bawtree was not the Commissioner either.

28. In my judgment, the better view is that Ms Ronneback was the legal owner of design 381, but that she held it in trust, for initially for the partnership, and later the incorporated company that she and Ms Bawtree had agreed to establish together. The partners had not agreed upon a name for the business when the partnership at will was established, but it is common ground that that business was to be 50% owned by Ms Bawtree and 50% owned by Ms Ronneback. If such a business had been established, I think it highly likely that Ms Ronneback could have been compelled to transfer the legal ownership of the design to the beneficial owner. The law favours an equitable owner over the legal owner of property, and I therefore doubt whether an application by the legal owner to invalidate a design registered in the name of an equitable owner would succeed. In the event, no incorporated company corresponding to the agreement between the parties was ever formed. Consequently, ML has no lawful claim to the legal or beneficial owner of design 381. Consequently, the requirements for invalidation under s.11ZA(2) of the Act are met.

29. Strictly speaking this makes it unnecessary to consider the further ground under s.11ZA(4) ground. However, for the sake of completeness I will do so. The relevant parts of the relevant sections of the Copyright, Designs and Patents Act 1988 are set out below.

#### **“9 Authorship of work**

(1) In this Part "author", in relation to a work, means the person who creates it.

#### **10 Works of joint authorship**

(1) In this Part a "work of joint authorship" means a work produced by the collaboration of two or more authors in which the contribution of each author is not distinct from that of the other author or authors.

(1A) -

(2) -

(3) References in this Part to the author of a work shall, except as otherwise provided, be construed in relation to a work of joint authorship as references to all the authors of the work.

#### **11 First ownership of copyright**

(1) The author of a work is the first owner of any copyright in it, subject to the following provisions.

(2) Where a literary, dramatic, musical or artistic work, or a film<sup>10</sup>, is made by an employee in the course of his employment, his employer is the first owner of any copyright in the work subject to any agreement to the contrary.

(3)\_”

30. On this basis, Ms Ronneback appears to be the first owner of the artistic work in design 381. Again it is clear that ML was not the owner. Under the terms of the agreement between Ms Bawtree and Ms Ronneback the company they agreed to establish may have been authorised to use the work. However, that company was to be jointly owned by these women. The incorporation of ML with Ms Bawtree as its sole shareholder did not activate the terms of the agreement. ML is therefore not the owner of the work and has no implied right to use it. Consequently, the requirements for invalidation under s.11ZA(4) are also met.

31. The wording of sections 11ZA(2) and 11ZA(4) – “..may be declared invalid..” - suggests that even where the specified grounds for invalidation exist there is a discretion to let the registration stand. However, I note that the relevant parts of article 11 of Directive 98/71/EC on the harmonisation of design law in the EU are as follows.

“1. A design shall be refused registration, or, if the design has been registered, the design right shall be declared invalid:

(a) -

(b) -

(c) if the applicant for or the holder of the design right is not entitled to it under the law of the Member State concerned;

2. Any Member State may provide that a design shall be refused registration, or, if the design has been registered, that the design right shall be declared invalid:

(a) -

(b) if the design constitutes an unauthorised use of a work protected under the copyright law of the Member State concerned;

(c)\_” (emphasis added)

32. The wording of the national law is plainly intended to implement these provisions, and under European law they must be interpreted consistently with the Directive, so far as it is possible to do so. It seems clear from the wording of the Directive that the discretion afforded to member states by the use of the words “may provide” in article 11(2) is a discretion as to whether to implement that article. It is optional for member states. The UK legislature has chosen to implement it by enacting section 11ZA(2) of the national law. Having taken this step the UK was required to give full effect to article 11(2), according to which the registration of any design registered contrary to that provision “..shall be refused registration..”. The position is even clearer under article 11(1). A design registered in the name of someone who is not entitled to it under national law “shall be declared invalid”. Accordingly, the inclusion of the word “may” in sections 11ZA(2) and 11ZA(4) provides no discretion to refuse to invalidate a design registered contrary to the terms of those sections.

## **Conclusion**

33. Design registration 4005381 is declared invalid. The application to invalidate design registrations 4005382, 4005947 and 4005948 is rejected.

**Costs**

34. As both parties have achieved a measure of success I find that each side should bear its own costs.

**Dated this 24<sup>th</sup> day of April 2009**

**Allan James  
For the Registrar**