

O-391-11

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

**IN THE MATTER OF REGISTERED DESIGN NO. 4008055
IN THE NAME OF MARK ANTHONY GABRIEL**

AND

**A REQUEST TO INVALIDATE (NO. 5/10)
BY BRIAN FRANK PENFOLD**

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

In the matter of registered design no. 4008055 in the name of Mark Anthony Gabriel

And

A request to invalidate (no. 5/10) by Brian Frank Penfold

The background and the pleadings

1. Mark Anthony Gabriel filed registered design no. 4008055 on 18 June 2008. The design is said (on the form of application) to be a “2D blue/white square edge heart shape” flag. The design is shown below:



2. Brian Frank Penfold requests the invalidation of the above registered design. The grounds of invalidation are based on sections 11ZA and 1B of the Registered Designs Act 1949 (as amended) (“the Act”) which, in combination, mean that a design registration may be declared invalid if it does not meet the Act’s requirements of novelty and individual character. The claim is made on the basis that Mr Penfold had already manufactured and made available for sale, to the public, a flag with this design on 11 June 2005, some three years prior to Mr Gabriel registering design no. 4008055.

3. Mr Gabriel filed a counterstatement, denying the grounds of invalidation. Attached to the application for invalidation and the statement of case are a number of documents which Mr Gabriel challenges in his counterstatement. Mr Penfold also enclosed two samples of his flags with his application form. Mr Gabriel claims that these were printed after he registered his design and that he had reported their existence to Trading Standards officers. (Mr Penfold made his application to invalidate Mr Gabriel’s design after he had been approached by Cornwall Trading Standards officers.)

4. Both parties filed evidence. Neither side requested a hearing or filed written submissions in lieu of attendance. I will, of course, take into account any submissions or arguments within the papers before me.

The evidence

5. Mr Penfold's evidence

Mr Penfold has filed a witness statement dated 30 October 2010. He explains that he is the managing director of Skyblue Leisure Ltd, in Newquay, Cornwall ("Skyblue"), which he describes as an independent retailer. He says that the facts in his statement come from his personal knowledge and from the records of his company.

6. Mr Penfold states that he decided to make a flag design "utilising the VW logo" in early 2005. He says that he took a computer image (of the VW logo) and altered it to form a heart shape. Mr Penfold contacted Shandong Cosense Textile Co Ltd ("Shandong") in Qingdao, China, and placed an order for a total of 2000 flags. Shandong sent a sales confirmation dated 8 April 2005 for US\$ 1690.00 for delivery by sea, requesting a 30% deposit. Mr Penfold states that he signed to confirm the purchase on 11 April 2005 and exhibits at BFP 1 and 2 copies of the said sales confirmation from Shandong. The sales confirmation is dated 8 April 2005, addressed to Skyblue (for the attention of Brian Penfold from Debbie Wang) for 1000 of each of the following, for sea shipment to Felixtowe:

"VW Heart Flag Size: 2x3FT

VW Heart Flag Size: 3X5 FOOT".

Mr Penfold's signature appears at the bottom under "The Buyer" dated 11 April 2005. He states that he sent this to Shandong on 11 April 2005 attached to a fax requesting shipping dates from Shandong. A copy of the fax is shown at BFP3, dated 11 April 2005. BFP4 shows a copy of payment advice to Skyblue from Lloyds TSB showing payment of US\$557.00 from Skyblue's bank account to Shandong. This is dated 11 April 2005.

7. At BFP5 Mr Penfold exhibits a copy of an invoice dated 19 April 2005 for a total of 2149 flags, packed in 16 cartons, and delivered by air from Qindao to London. The 19 April 2005 invoice amount was US\$2691.82. Exhibit BFP6 is a copy of a Lloyds TSB International Moneymover application for US\$2134.82 signed for by Paula Best, Skyblue's company secretary, in favour of Shandong, dated 22 April 2005. The invoice (BFP5) is not headed with Shandong's details but it states that the invoice is to Skyblue. The goods listed as being flown to London from Qingdao are:

"VW Heart flag
Size: 3X5 FOOT
Size: 2X3 FOOT".

8. BFP7 is a copy of an air waybill from Shandong to Skyblue dated 2 May 2005 for 16 pieces described as 'flag', weighing 171 kilograms, bound for London. The air freight carrier was Asiana Airlines and the air waybill number is 988-2293 2663. This number is matched to a delivery note, exhibit BFP8, from Transworld 2000 TFS Logistics Ltd dated 9 May 2005. The delivery note also shows the number of packages as 16, the contents as 'flag', the weight as 171.0KG, the arrival port as

London Heathrow, the date of arrival as 7 May 2005, the consignee as Skyblue and the consignor as Shandong. Special instructions on the delivery note are handwritten as "Private House Brian Penfold". Exhibit BFP9 is a copy of the customs entry acceptance document dated 10 May 2005 showing the same consignee (Skyblue), the same consignor (Shandong), the same number, 98822932663, as the air waybill and the delivery note (BFP7 and 8), and the same number of packages (16) as the delivery note (BFP8). The invoice total is US\$2691.82, which is the amount on the 19 April 2005 invoice (BFP5). These details are also shown, together with the weight (171.0kg) on the import invoice from Transworld 2000 TFS Logistics Ltd, dated 11 May 2005, including the 98822932663 air waybill number. Various customs and handling charges (BFP10) are also shown, but not the contents of the freight packages.

9. Exhibit BFP11 is a photograph of a cardboard box sitting on top of what looks like flattened stacked cardboard boxes. The label on the box which is the subject of the photograph says "Asiana Airlines" and has an air waybill number of 988 8893 2663. The '988' is typed, the remaining numbers are handwritten. Also handwritten is the number 16 under "total number of pieces" and "LON" under airport of destination. Printed along the side of the box is the following information (most of which is discernable despite packaging binding):

"SKYBLUE
LONDON
ITEM: 3X? FTVWHEARTFLAG
MADE I(N) CHI(NA)
NO. 9" [9 is handwritten]

Mr Penfold states that this is one of the boxes (number 9) with the aforementioned air waybill number (exhibits BFP7 to 10) and the total number of exhibits as 16. In the background of the photograph is another box with a label which has been defaced, but it is possible to see "988" and the Asiana Airlines logo.

10. Mr Penfold states that he began, immediately, to sell the flags online and at outdoor events. He exhibits a copy of two pages from Skyblue's website (BFP12) showing its "Volkswagen flags". There is no date to show when the pages were printed but the pricing matches that of invoices in exhibits BFP13 to 17, dated June to August 2005. A number of flags are shown, including flags detailed as Volkswagen flags, 5'x3' and 3'x2', as below:



Mr Penfold states that he attended various festivals where he sold the flags, including:

- The British Volkswagon Festival at the Three Counties showground, Malvern, in 2005
- The British Vokswagon Festival 2005
- The Cornwall Volkswagon Jamboree, Monkey Trett Holiday Park, Newquay, 2005
- Stithians Agricultural show, Cornwall, in 2005 and 2006.

11. Mr Penfold states that he has reprinted a sample of orders placed on Skyblue's website which includes orders for the Volkswagen heart flags imported by Skyblue from Shangdong. The orders are dated 7 June 2005, 3 August 2005, 17 August 2005, 21 August 2005, 21 August 2005 and 22 August 2005 (exhibits BFP13 to 17). Mr Penfold states that he removed the flag from general sale (presumably this means retail sale) in 2006 and has since sold it wholesale. He attaches a copy of an invoice (BFP18) for 200 of the flags dated 1 July 2008 (after the date on which Mr Gabriel applied for the registered design). In relation to the invoices from 7 June 2005 to 22 August 2005, the recipient's names have been redacted but their UK locations are visible (as are the dates). Amongst the various goods listed on the invoices are "Volkswagen Flag 5' x 3'" and "Volkswagen Flag 3' x 2'", costing £4.99 and £3.49, respectively. The 1 July 2008 invoice (after the date on which Mr Gabriel filed for his design registration) refers to "vw heart 5x3" and "vw heart 3x2" at £1.20 and £1.00, respectively (presumably, wholesale prices).

12. Mr Penfold enclosed, with his statement of case, two samples of flags. The flags are identical, including the colour, to the design which is the subject of these proceedings, except for the eyelets present on the flag which are not present in the registered design. The flags are of different sizes; the smaller one is in clear packaging which says "Made in China" and which bears a torn label which is identical (in terms of information) to the photograph upon the cardboard box (BFP11). It shows the same air waybill number and the number 16, together with a defaced Asiana Airlines logo (the Airlines part being missing). There is no label on the larger of the two flag packages.

13. Mr Gabriel's evidence

Mr Gabriel's evidence is provided by way of a witness statement dated 5 January 2011. Mr Gabriel describes himself as a private individual. Exhibits MAG2 and MAG3 are copies of the details of Mr Gabriel's design registration on the website of the Intellectual Property Office (IPO), numbers 4008055 (the subject of these proceedings) and 4004282 (not the subject of these proceedings). Some of the content of Mr Gabriel's witness statement is difficult to understand, such as:

"4. Annual sales of the goods/services before the date of the application were as follows:- dated 5th January 2011.
Dates Amounts (**nil**)

5. I refer to a 7 sheets of a4 paper, marked exhibit **covering letter** dated 5th January 2011 relevant after [the relevant date in the proceedings].

6. Annual amounts spent on promoting the goods/services before the date of application were as follows:-

Dates Amounts (**nil**)."

14. There is a letter from Mr Gabriel to the IPO, headed as "Original letter: Dated 28 November 2010" which also appears with a witness statement (with a statement of truth and dated 5 January 2011). It is possible, although not clear, that this is what was referred to in paragraph 5 of the first-mentioned witness statement from which I have quoted above. The contents are a critique of Mr Penfold's evidence. Mr Gabriel states that there is no proof about what VW logo was designed or made available to the public: he says there is no patent attorney's letter "sworn on affidavit" showing Mr Penfold's original design and no computer evidence backed up by a professional forensic IT specialist company with dates when the image was designed and made available to the public. Mr Gabriel criticises the absence of original emails, correspondence, sketches, drawings, screen captures and downloads between Skyblue and Shandong which tie in financially with an agreed price for the "VW Heart Design Flag", again to be verified by a forensic IT specialist. Mr Gabriel criticises the import documentation in Mr Penfold's evidence for the absence of illustrations of the goods. He says "VW HEART FLAGS...Could mean.. I love Vindaloo Weekends". He criticises the lack of information in the bank documents in relation to why the money was transferred from a UK bank to a Chinese bank. Referring to the photograph of the cardboard box (BFP11), Mr Gabriel says that the photograph is not digitally marked with a date and there is no printed date on the box, either stamped by HMRC or by the customs clearance agents or shipping agents. Furthermore, Mr Gabriel points out that there is no image of what is in the box. Mr Gabriel states that the number 9 on the box does not look like a '9'; the label could have been steamed off another box or scan printed on a computer as a blank and filled in afterwards and glued on the box. Mr Gabriel is suspicious regarding the packing binding on the box and claims that the box has been tampered with for these proceedings and that it is actually a more recent import box with an earlier sticker taken from another shipment box.

15. Mr Gabriel criticises the website material (BFP12) and asks for proof of the events which Mr Penfold states that he attended and proof of the sale there of the VW heart flags.

Section 11ZA/1B - the legal background

16. Section 11ZA of the Act provides the capacity for a registered design to be invalidated on the ground (section 1B) that it was not new or that it did not have individual character. Section 1B reads:

"(1) A design shall be protected by a right in a registered design to the extent that the design is new and has individual character.

- (2) For the purposes of subsection (1) above, a design is new if no identical design whose features differ only in immaterial details has been made available to the public before the relevant date.
- (3) For the purposes of subsection (1) above, a design has individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public before the relevant date.
- (4) In determining the extent to which a design has individual character, the degree of freedom of the author in creating the design shall be taken into consideration.
- (5) For the purposes of this section, a design has been made available to the public before the relevant date if-
 - (a) it has been published (whether following registration or otherwise), exhibited, used in trade or otherwise disclosed before that date; and
 - (b) the disclosure does not fall within subsection (6) below.
- (6) A disclosure falls within this subsection if-
 - (a) it could not reasonably have become known before the relevant date in the normal course of business to persons carrying on business in the European Economic Area and specialising in the sector concerned;
 - (b) it was made to a person other than the designer, or any successor in title of his, under condition of confidentiality (whether express or implied);
 - (c) it was made by the designer, or any successor in title of his, during the period of 12 months immediately preceding the relevant date;
 - (d) it was made by a person other than the designer, or any successor in title of his, during the period of 12 months immediately preceding the relevant date in consequence of information provided or other action taken by the designer or any successor in title of his; or
 - (e) it was made during the 12 months immediately preceding the relevant date as a consequence of an abuse in relation to the designer or any successor in title of his.
- (7) In subsections (2), (3), (5) and (6) above “the relevant date” means the date on which the application for the registration of the design was

made or is treated by virtue of section 3B(2), (3) or (5) or 14(2) of this Act as having been made.

(8)

(9)

The scope of the dispute

17. According to section 1B(7) of the Act, prior art can only be relied upon to invalidate a registered design if it has been disclosed to the public prior to the application date of the registered design being attacked¹. This means that the relevant date for my assessment is 18 June 2008. Any prior art must have been made available to the public prior to this date. Mr Penfold claims that he (via Skyblue) had already made the design available to the public in June 2005. Mr Gabriel's defence is based entirely upon whether there was, in fact, prior disclosure of the design. There is no dispute between the parties as to whether the registered design is individual in its character; that is to say, whether the flags enclosed with Mr Penfold's evidence or shown on his website differ in overall impression from the registered design. This is sensible given the comment I have made at paragraph 12. This decision will, therefore, concentrate on whether Mr Penfold is entitled to rely upon prior disclosure of the design. This has to be proven by way of evidence. Mr Gabriel has challenged Mr Penfold's evidence.

18. Although Mr Gabriel has challenged Mr Penfold's evidence, it does not follow automatically that the evidence should be disbelieved. I must assess the evidence critically and make any findings of fact accordingly. Findings of fact may be made following clear and corroborated statements of fact, but they may also be made by inference² from the picture built up through various aspects of evidence.

19. Whilst it would have been preferable for Mr Penfold to have included some of the information called for by Mr Gabriel, such as sketches and computer-based design drawings, their absence *per se* does not mean that the remainder of Mr Penfold's evidence cannot serve to establish a picture from which logical, reasonable inferences can be drawn. Mr Penfold's exhibits BFP1 to BFP10 show a clear paper trail of an order placed in April 2005 and a delivery received in May 2005 from Shandong for VW Heart flags. The air waybill numbers and the quantity and weight of the goods consignment are consistent throughout the exhibits and are shown again on the cardboard box. I do not think that the absence of pictures of the goods on the invoices themselves is telling one way or another: invoices rarely show pictorial representations of goods. The invoices consistently refer to VW heart flags in sizes which correspond to the order placed. It is clear from the evidence before

¹ Unless the exceptions in subsection (6) apply, which are not referred to by either party in this case.

² As per *Brutt Trade Marks* [2007] R.P.C. 19, Richard Arnold Q.C., sitting as the Appointed Person: "Of course, it depends what one means by "inference". An "inference" was defined by Street C.J. in *Gurnett v Macquarie Stevedoring C Pty* (1955) 72 WN (NSW) 261 as, "a reasonable conclusion drawn as a matter of strict logical deduction from known or assumed facts". Understood in this way, the drawing of inferences is a key mode of judicial reasoning. It is to be distinguished from mere conjecture or, as Street C.J. put it, a guess."

me that VW stands for Volkswagon (as opposed to vindaloo weekends). Furthermore, the sizing corresponds to the flags which appear on the website and in the UK customer retail invoices dated later in 2005. There are gaps in the evidence which Mr Gabriel has highlighted, such as there being no clear proof as to what was sold at the various festivals held in 2005. However, it is a reasonable inference that festivals take place in the summer months, which would be after the consignment of flags reached Mr Penfold early in May 2005 and that the VW flags on the UK customer invoices, dated in the summer months of 2005 and which are the same size as the flags on the original orders and invoices to and from China, are VW heart flags, as shown on the website.

20. The website prints are undated but, again, the whole picture is important and the case does not stand or fall on the basis of any single exhibit. Although valid criticisms can be made of individual items in Mr Penfold's' evidence, it is important to view the evidence collectively³. This collective picture is to be balanced against Mr Gabriel's criticisms as to the probity of the exhibits, such as his suspicion that the labels were steamed off another shipment and attached to the box in the photograph (BFP11). Although nothing proves that this hasn't been done, there is also no reason to believe that the boxes have been tampered with. The photograph forms the end exhibit of the importation paper trail and is not determinative of the proceedings by itself. I have borne in mind Mr Gabriel's criticisms of Mr Penfold's evidence; however, the various pieces of evidence, particularly the importation paper trail and the UK customer invoices, taken together, lead me to conclude that, on the balance of probability, the design existed in 2005 in the form of Mr Penfold's prior art. I have little doubt that the importation in 2005 onwards related to VW flags and I accept that the flag design shown on the website and enclosed with the statement of case were those which were ordered and sold online and in festivals. This means that the design which is the subject of Mr Gabriel's design registration number 4008055 was made available to the UK public some three years before Mr Gabriel made his application to register the design. Mr Penfold's application for a declaration of invalidity succeeds under subsections (1) and (5) of sections 11ZA/1B of the Act. Under section 11ZC of the Act, I declare Mr Gabriel's registration invalid.

Costs

21. Mr Penfold has been successful and is entitled to a contribution towards his costs. Although the registrar has a wide discretion in relation to costs, he nevertheless works from a published scale (Tribunal Practice Notice 4/2007). I have borne the scale in mind when determining what award of costs to make. I must, though, also take into account that Mr Penfold has not been legally represented in these proceedings and that his costs would not, therefore, have included any professional legal fees. I therefore reduce by 50% (except in relation to expenses) what I would otherwise have awarded. I hereby order Mark Anthony Gabriel to pay Brian Frank Penfold the sum of £500. This sum is calculated as follows:

Preparing a statement and considering Mr Gabriel's statement	£200
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³ As per the comments of Professor Ruth Annand, sitting as the Appointed Person, in *Loaded Trade Marks* O/191/02.

Filing evidence	£250
Expenses – fee for filing Form DF19A	£50
Total	£500

22. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11 day of November 2011

**Judi Pike
For the Registrar,
The Comptroller-General**