

O/265/17

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

REGISTERED DESIGN No. 4042194

OWNED BY KD & JAY LIMITED

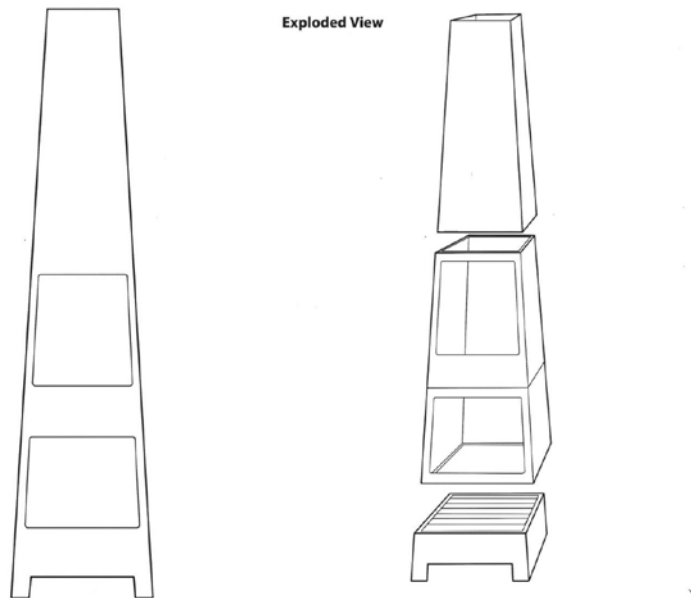
AND

APPLICATION No. 21/16 BY LA HACIENDA LIMITED

TO INVALIDATE THE REGISTERED DESIGN

The claims and the counterstatement

1. The registered design the subject of these proceedings was filed by KD & Jay Limited (“KD & J”) on 20th July 2015. The design was subsequently registered with effect from that date. The design is depicted in the following representations.



2. The application form confirms that the design is for a “*garden chimenea.*”

3. On 11th August 2016, La Hacienda Limited (“the applicant”) applied for the registration of the design to be invalidated. The applicant claims that in 2011 it designed a product known as the ‘Malmo Chimenea’. According to the applicant, products corresponding to that design were subsequently manufactured in China and disclosed to the public at an exhibition in Birmingham in September 2012. Such products were later listed in the applicant’s 2013 catalogue, which was made available to the trade in September 2013. The applicant subsequently sold Malmo Chimeneas in the UK, the EU and beyond.

4. The applicant says that the design registered by KD & J appears to show the same shape, size and configuration as its Malmo design. On this basis, the applicant claims that it, and not KD & J, is the proprietor of the contested design. Therefore,

the registration of the design in the name of KD & J should be declared invalid under s.11ZA(2) of the Act.

5. KD & J filed a counterstatement in which it:

- (i) Claimed that its supplier in the Far East approached it with a design the supplier had developed “*over many years*”;
- (ii) Stated that it had searched the register of designs for similar products and, not finding any, decided to register the design for the product it calls ‘Killeen’;
- (iii) Claimed that the applicant’s design differs as regards design features and function;
- (iv) Pointed out that the Killeen chimenea has small rounded corners on all four corners of both openings (as opposed to the applicant’s design which has two rounded corners and two right angle corners for the openings);
- (v) Claimed that this design difference has functional consequences; KD & J’s design having better airflow and fuel use, as well as being easier to light;
- (vi) Claimed that Killen product has a different square ash tray with handles “*which sits within the chimenea*” whereas the design for the applicant’s Malmo product shows a domed bowl shape ash tray with no handles.

6. Both sides seek an award of costs.

The evidence

7. Both sides filed evidence. The applicant’s evidence consists of two witness statements by Maria Goodwin, who is the applicant’s Corporate Sales Manager. I note the following matters from Ms Goodwin’s first statement dated 21st November 2016:

- In “late 2011” Simon Goodwin, a director of the applicant, together with the applicant’s design team, designed the square shaped chimenea now known as the Malmo.
- In November/December 2011, the Malmo design was given to a factory in China for production/quotation purposes.¹
- The Chinese factory subsequently sent the applicant a picture showing what the design would look like as a finished product.²
- The Malmo model was added to the applicant’s catalogue for the Spring/Summer 2013 seasons.
- This went to press in September 2012 and was subsequently distributed to garden centres, large multiple retailers, internet sellers and existing customers.
- The Malmo product was exhibited at the Garden and Leisure Exhibition held at the NEC in September 2012.
- Between 21st December 2012 and 28th October 2015, the applicant sold 3173 products corresponding to the Malmo design to over 170 customers/stores.³
- The applicant disputes that the claimed four rounded corners to the openings in KD & J’s design are clear from what is on the register.
- The applicant disputes that such a difference from the Malmo design would make any material difference to airflow, lighting or fuel use.
- The Malmo chimenea is 150cm tall, 36cm x 36cm at the base and 18.5cm x 18.5cm at the top; KD & J advertise the Killen model as being 151cm tall, 36cm x 36cm at the base and 18.5cm x 18.5cm at the top.⁴ This virtual identity of dimensions indicates that the Killen is not an original design, i.e. it is a copy of the Malmo.
- The applicant disputes that the registered design is a new design, or that it has individual character compared to the pre-existing Malmo design.

8. KD & J’s evidence consists of a witness statement by Deven Thakkar who describes himself as an employee of the company. The statement was originally

¹ See LH2

² See LH3

³ See LH9

⁴ See LH5

made on 4th January 2017, but did not include a statement of truth. This was corrected through a replacement statement dated 23rd January 2017. I note the following points from Mr Thakkar's statement:

- It is not disputed that the applicant created the drawing from which their Malmo product was later produced.⁵
- It is accepted that the design for the applicant's Malmo chimenea was not commonplace at the time of its creation in 2011.
- It is alleged that both parties knew that other [unnamed] parties had "*tried and failed to perfect this design*" and therefore the applicant knew that it could not claim rights in the unregistered design.
- Mr Thakkar claimed that he was "*fundamentally involved in the design* [for the Killeen]" and that he would be happy to obtain evidence of this from China.
- KD & J did not include the internal mechanisms showing the shape of the ash tray for the Killeen chimenea in the registered design because "*the important part of the design is in the drawings* [on the register]."
- KD & J disputes that the registered design is "*immaterially different*" to the applicant's design for the Malmo chimenea.

9. Ms Goodwin's second statement dated 23rd January 2017 was filed in reply to Mr Thakkar's amended statement of the same date. Ms Goodwin's second statement consisted of arguments which, to the extent that it is necessary to do so, I return to below. However, I note at this point that Ms Goodwin took issue with Mr Thakkar's claim to have been "*fundamentally involved in the design* [of the Killeen chimenea]" and pointed out that no evidence had been filed to substantiate this claim.

⁵ See LH2

The hearing

10. The applicant requested a hearing on 17th February 2017. On 27th March 2017 the registrar gave the parties notice that a hearing would take place at 10am on 25th April 2017. On behalf of KD & J, Mr Thakkar twice requested that the hearing be postponed. The applicant objected to a postponement. I was not satisfied with the timing of, or the explanation for, the requested postponement. I therefore rejected the requests and later gave my reasons for doing so in a letter dated 26th April 2017 addressed to Mr Thakkar. The relevant part of the letter is set out below.

“The original reason put forward on 12th April – that the “*relevant parties will be overseas*” on a buying trip - was unacceptable. You were given notice of the hearing on 27th March. Your request did not identify who the ‘relevant parties’ were, why their attendance was important, or why you had waited until 12th April before requesting a postponement.

Your subsequent request, dated 20th April, indicated that the reason for the request was that “*the only Director who could deal with this is currently in China.*” You explained that the [still unnamed] person was seeking relevant records from businesses in China, and that he (or she) intended to provide further written evidence following return to the UK on 5th May. Thus the main reason given for the requested postponement appeared to be to provide time to file further evidence. However, no application has been made for leave to file further evidence. It follows that no explanation has been given as to content or purpose of this material. The reason given for postponing the hearing was therefore irrelevant. I also note that it was a different reason to that given in the first request.

You were given the option of participating in the hearing by teleconference. I was informed at 9.55am on 25th April that the Office had received a message that the Director in China had fallen ill and was therefore unable to take part by telephone.

The hearing went ahead with only La Hacienda present. A transcript of the hearing can be obtained on request.”

11. As the above extract from my letter indicates, KD & J was not represented at the hearing. The applicant was represented by Mr Alan Jones of Urquhart, Dykes and Lord. On the last working day before the hearing - 21st April 2017 - Mr Jones telephoned and emailed the IPO indicating that he had just been instructed by the applicant and, on examining the papers, he had noticed that the second page of the application for invalidation was missing from his copy. The missing page contained the section of the Form DF19a applicable to a lack of novelty ground. He was concerned that the page may not have been filed and that this may prejudice his client’s right to argue a lack of novelty ground at the hearing.

12. Mr Jones was told that the second page of the Form was indeed missing from the application. He subsequently provided a copy of the missing page. However, neither his original enquiry nor the missing page of the application were copied to the KD & J. I return to the consequences of this below. Before doing so, I will deal with the ground for invalidation that was included in the original application based on ownership of the registered design.

Ownership of the registered design

13. Section 11ZA(2) of the Act is as follows:

“2) 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 design objecting.”

14. The relevant parts of section 4 of the Act are as follows:

“(4) 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) [Repealed]

(1B) Where 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) -

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

15. Section 1B of the Act (so far as it is relevant) 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.”

16. Mr Jones submitted that KD & J could not be the proprietor of the design because (a) the applicant created the design in 2011 and disclosed it in 2012, (b) there was no specific claim by KD & J to have created the design at an earlier date, and (c) on KD & J’s own evidence, it did not create the design. It was created by a Chinese supplier.

17. As regards point (c), this is irrelevant because as I pointed out to Mr Jones at the hearing, s.11ZA(2) states that only the proprietor of the design can object on this ground. Therefore, it is not open to the applicant to challenge the ownership of the design on the basis that it was created by a third party.

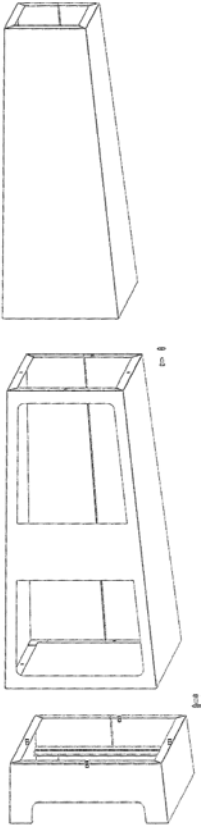
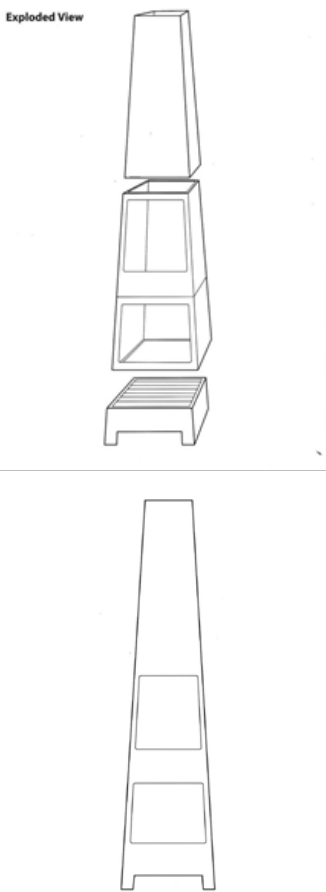
18. As regards point (a) above, I note that KD & J:

- (i) Does not dispute that the applicant created the design for the Malmo chimenea in 2011.
- (ii) Has not provided a specific date when the design for the Killeen chimenea was created, despite Mr Thakkar’s claim that he was “*fundamentally involved in the design.*”
- (iii) Has not provided any evidence supporting Mr Thakkar’s claim that the Killeen design was created independently.

As regards the point (iii) above, KD & J has been aware since these proceedings were launched in August 2016 that the ownership of the registered design was in dispute. Mr Thakkar raised the possibility of obtaining evidence of his involvement in the creation of the design for the Killeen chimenea in his statement of 4th January 2017 (later re-dated 23rd January). The applicant's reply statement specifically drew attention to the lack of evidence supporting Mr Thakkar's claim to have been involved in the design. Despite this, KD & J made no application for leave to file evidence showing that Mr Thakkar was involved in the independent creation of the design for the Killeen chimenea, or that the design for that product existed before the design for the Malmo chimenea was disclosed. In these circumstances, I find that:

- (i) The design for the Malmo chimenea pre-dated the registered design;
- (ii) There is no evidence (as opposed to mere assertion) that the registered design was created independently of the design for the Malmo chimenea.

19. The features of the Malmo design which are visible in normal use and the registered design are shown below.

Malmo design	Registered design
	

20. I have excluded the differing designs for internal ash collection trays because they are not visible in normal use in the Malmo design, and are not included in the registered design.

21. I have excluded the measurements of the designs because this is not part of the registered design. However, it is apparent from a comparison of the designs that the relative proportions of height to width to depth, and the positioning of the front openings, are virtually identical.

22. KD & J says that the registered design differs from the Malmo design insofar as all four of the corners on both of the openings in the registered design are rounded. The applicant disputes that this is apparent from the drawings on the register.

23. I agree with the applicant that it is difficult to discern from the representations on the register that the registered design has rounded corners for the openings. And it is what can be seen from the representations on the register that counts. At most, the representations reveal that the corners in the registered design are slightly rounded. However, what is clear is that they all the same. By comparison, examination of the drawings for the Malmo design shows that four of the corners of the two front openings are rounded and the other four corners are right angles.

24. The respective designs are not, therefore, literally identical. The applicant says that the designs “*differ only in immaterial details*”. KD & J says that all-rounded corners for the openings in its design are material because they affect airflow, lighting and fuel use. The applicant disputes that the difference would have these functional effects. KD & J have not provided any evidence to substantiate its claim that all-rounded corners would have the functional effects claimed. In any event, what matters from a design perspective is whether the appearance of the corners of the openings in the chimeneas is a material detail of the overall designs. In my judgment, this element of the designs would have so little visual impact on an informed user of the products that it cannot be said to be a material feature of the designs. Consequently, the difference is not such as to prevent me from concluding that the Malmo design and the registered design are the same design, except for immaterial details.

25. I have also noticed that the exploded view of the registered design shows a line or seam running between the two front openings. This feature is absent from the Malmo design, but it is also absent from the front view of the registered design. I infer from this that KD & J did not consider it to be a material detail of the registered design. This would be consistent with the evidence and arguments filed by KD & J, none of which mentions this feature. I therefore find that this is not a material difference between the registered design and the Malmo design.

26. Having already found that the applicant was the author of the Malmo design in 2011 and that there are no material differences between that design and the registered design, it follows that the applicant is the author and proprietor of the

registered design. The ground for invalidation under s.11ZA(2) of the Act succeeds accordingly.

Additional ground for invalidation

27. As I mentioned earlier, shortly before the hearing the applicant indicated that it intended to run a second ground for invalidation under section 11ZA(1)(b) of the Act. The additional ground being that at the date of the application for registration the registered design did not fulfil the requirements of section 1B. This is because it was not a new design and/or did not have the necessary 'individual character' compared to the Malmo design.

28. According to the applicant's representative, whilst not specifically included in the pages of the Form DF19a that were filed, this legal ground was evident from the applicant's accompanying statement of case. It was also expressly identified in Ms Goodwin's first witness statement of 21st November 2016. Looked at this way, it was not a new or additional ground for invalidation and there was no prejudice to KD & J in allowing it to be run.

29. However, on my reading of it, everything that was said in the applicant's statement of case would have been equally applicable if the sole ground for invalidation was the ownership of the design. I accepted that the novelty ground was expressly identified in Ms Goodwin's first witness statement, but it occupied only 5 lines of the 4 page statement. In this connection, I noted that KD & J's evidence in reply made no express reference to the novelty issue. In these circumstances, it would plainly have been inappropriate to allow the applicant to simply slip the second ground for invalidation in at the hearing stage. It would have been even more objectionable to do so when the applicant had not given KD & J notice of the proposed correction of the 'omission' of the novelty ground. I therefore decided to treat the applicant's request to file the missing page from its original application for invalidation as a request to add an additional ground for invalidation.

30. Without deciding whether to allow the novelty ground to be formally added, I decided that in order to minimise the possible need for a further hearing if the ground

were added, I should permit the applicant to make brief legal submissions on the novelty ground. The factual issues supporting the ground were covered already because they are the same facts relied on to support the applicant's claim to ownership of the registered design.

31. I included the following in my letter to Mr Thakkar of KD & J dated 26th April 2017.

"Prior to the hearing, La Hacienda's newly appointed representative supplied a 'missing page' from the application to invalidate the registered design (Form DF19A). The missing page contained an additional ground for invalidation, i.e. that the registered design was not new and did not have the necessary 'individual character' compared to designs made available to the public before the date of the application for registration.

A copy of the missing page is attached.

I was informed at the hearing that it had been omitted from the original application because of an error of copying, i.e. the missing page is the back of the first page of a double sided form which was copied single sided.

The applicant says that the statement of case and the facts therein filed with Form DF19A on 11th August 2016 covers both legal grounds. Further, the omitted 'lack of novelty' ground was expressly stated in Ms Goodwin's witness statement of 21st November 2016 (see paragraph 15). Consequently, the applicant relies on the evidence already filed and says that you should have been aware that the applicant intended to run a lack of novelty ground when you filed your evidence in answer to its evidence on 23rd January 2017.

You have until 9th May to:

- (1) State whether you object to the addition of this ground for invalidation;
- (2) If so, specify any prejudice you would suffer from the addition of this second legal ground to the applicant's case at this point in time;

- (3) If any such prejudice would require that you be given the opportunity to respond to the new ground, state how would need to respond to it, i.e. written or oral arguments or evidence;
- (4) If you see a need to file further evidence to address the additional legal ground, state what the evidence would show, why it would be relevant to the novelty of the registered design at the date of the application for registration and how long you would need to file it.”

32. I received the following response from Mr Thakkar on 9th May.

“Re additional legal ground for invalidation:

La Hacienda seek to manufacture contentions based on our prejudice of being the victim of an arson attack and require the rules of evidence followed, whilst arguing that they should be allowed to introduce documents without warning.

The Director, who they well knew was out of the country, and has not even yet returned, and consequently we are not in a position to consider the implications or advise the registrar as to the extent of what is clearly a significant prejudice.

To assist the Registrar, the Director has confirmed to me via telephone that he sees no reason why the hearing could not go ahead without this claimed document and without this alleged additional ground being introduced (including because we are prevented from producing evidence).”

33. KD & J appears to make the following points:

(1) It is unfair to allow the applicant to adjust its case whilst refusing to allow further time for KD & J to file further evidence.

(2) It is not in a position to identify any prejudice from permitting the applicant to run a second ground for invalidation.

(3) The [still unnamed] Director sees no reason why a decision could not be made based just on the existing ground for invalidation.

34. I accept the point made in (3) above, but the question is not whether the case could be decided on the original ground for invalidation, but whether the applicant should be permitted to add the second legal ground.

35. In relation to point (2) above, KD & J's inability to identify any prejudice is claimed to be linked to the continued absence of its unnamed Director. In this connection, I note that KD & J's email of 20th April requesting a postponement of the hearing scheduled for 25th April stated that the person concerned would return to the UK on 5th May. Mr Thakkar's latest email is dated 9th May. It therefore appears that the return date of the unnamed Director of KD & J was in fact unpredictable on 20th April. I also note that the person concerned has apparently been in touch with Mr Thakkar and expressed views on the merits of the applicant's application. It is not therefore clear to me why his (or her) continued absence in China should prevent KD & J from identifying any prejudice arising from the applicant's application.

36. As regards point (1) above, I have not refused KD & J permission to file further evidence. The requests I considered and rejected were to postpone the hearing date. Admittedly, it became clear that this was because KD & J wished to file further evidence obtained from China, but no application has been made to file such evidence. Further, although I might guess that the evidence in question is linked to the authorship of the Killeen design, no clear explanation of the proposed evidence, or its purpose, has been provided. Further still, in my letter of 26th April I specifically invited KD & J to state how it would respond to the additional ground for invalidation, including filing evidence going to the novelty of the registered design. It has not answered that invitation.

37. In all the circumstances, I accept the applicant's explanation for failing to formally include the novelty ground in its application for invalidation until shortly before the hearing. The facts on which the applicant relies are exactly the same as the facts relied on for the proprietorship ground. The applicant's creation and prior disclosure

of the Malmo design is not in dispute. It therefore seems to me that the question of whether the registered design was new and had individual character at the date of the application for registration (“the relevant date”) is purely a matter of law. In these circumstances, I see no prejudice to KD & J from permitting the applicant to run the novelty ground. I will therefore allow the applicant to run this ground too.

38. Having already found that the respective designs differ in only immaterial details, there is only one possible outcome of the additional ground: the registered design was not new at the relevant date. However, in case I am wrong about that I will also consider whether the registered design had ‘individual character’ in the light of the prior disclosure of the Malmo design. The relevant part of s.11ZA of the Act is shown below.

“(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.

39. Section 1C(1) states:

“(1) A right in a registered design shall not subsist in features of appearance of a product which are solely dictated by the product’s technical function.”

40. The thirteenth recital to the Designs Directive 98/71/EC states that:

“(13) Whereas the assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular

the industrial sector to which it belongs and the degree of freedom of the designer in developing the design”

41. The relevant case law was conveniently set out by Birss J. in paragraphs 31 to 59 of his judgment in *Samsung v Apple*⁶. The most relevant parts are re-produced below.

“The informed user

33. The designs are assessed from the perspective of the informed user. The identity and attributes of the informed user have been discussed by the *Court of Justice of the European Union in PepsiCo v Grupo Promer (C-281/10P) [2012] FSR 5* at paragraphs 53 to 59 and also in *Grupo Promer v OHIM [2010] ECDR 7*, (in the General Court from which PepsiCo was an appeal) and in *Shenzhen Taiden v OHIM*, case T-153/08, 22 June 2010.

34. Samsung submitted that the following summary characterises the informed user. I accept it and have added cross-references to the cases mentioned:

- i) He (or she) is a user of the product in which the design is intended to be incorporated, not a designer, technical expert, manufacturer or seller (*PepsiCo* paragraph 54 referring to *Grupo Promer* paragraph 62; *Shenzen* paragraph 46).
- ii) However, unlike the average consumer of trade mark law, he is particularly observant (*PepsiCo* paragraph 53);
- iii) He has knowledge of the design corpus and of the design features normally included in the designs existing in the sector concerned (*PepsiCo* paragraph 59 and also paragraph 54 referring to *Grupo Promer* paragraph 62);

⁶ [2012] EWHC 1882 (Pat)

iv) He is interested in the products concerned and shows a relatively high degree of attention when he uses them (*PepsiCo* paragraph 59);

v) He conducts a direct comparison of the designs in issue unless there are specific circumstances or the devices have certain characteristics which make it impractical or uncommon to do so (*PepsiCo* paragraph 55).

35. I would add that the informed user neither (a) merely perceives the designs as a whole and does not analyse details, nor (b) observes in detail minimal differences which may exist (*PepsiCo* paragraph 59).

Design freedom

40. In *Grupo Promer* the General Court addressed design freedom in paragraphs 67-70. In *Dyson* Arnold J. summarised that passage from *Grupo Promer* as follows:

“design freedom may be constrained by (i) the technical function of the product or an element thereof, (ii) the need to incorporate features common to such products and/or (iii) economic considerations (e. g. the need for the item to be inexpensive).”

Effect of differences between the registered design and the design corpus

51. Apple drew my attention to paragraph 74 of the judgment of the General Court in *Grupo Promer* in which the Court agreed with the ruling of the Board of Appeal that:

“as regards the assessment of the overall impression produced by the designs at issue on the informed user, the latter will automatically disregard elements ‘that are totally banal and common to all examples of the type of product in issue’ and will concentrate on features ‘that are arbitrary or different from the norm’.”

52. Apple submitted that this showed that a design feature need not be unique to be relevant. It is only disregarded if it is totally banal. Thus, Apple submitted, for a feature to be relevant it merely needs to differ from the norm and by logical extension, the greater the difference from the norm, the more weight to be attached to it. The point of this submission is to challenge the manner in which Apple contended Samsung was advancing its case. I do not think Apple's characterisation of Samsung's case was entirely accurate but in any case I accept Apple's submission on the law at least as follows. The degree to which a feature is common in the design corpus is a relevant consideration. At one extreme will be a unique feature not in the prior art at all, at the other extreme will be a banal feature found in every example of the type. In between there will be features which are fairly common but not ubiquitous or quite rare but not unheard of. These considerations go to the weight to be attached to the feature, always bearing in mind that the issue is all about what the items look like and that the appearance of features falling within a given descriptive phrase may well vary.

The correct approach, overall

57. The point of design protection must be to reward and encourage good product design by protecting the skill, creativity and labour of product designers. This effort is different from the work of artists. The difference between a work of art and a work of design is that design is concerned with both form and function. However design law is not seeking to reward advances in function. That is the sphere of patents. Function imposes constraints on a designer's freedom which do not apply to an artist. Things which look the same because they do the same thing are not examples of infringement of design right.

58. How similar does the alleged infringement have to be to infringe? Community design rights are not simply concerned with anti-counterfeiting. One could imagine a design registration system which was intended only to allow for protection against counterfeits. In that system only identical or nearly

identical products would infringe. The test of “different overall impression” is clearly wider than that. The scope of protection of a Community registered design clearly can include products which can be distinguished to some degree from the registration. On the other hand the fact that the informed user is particularly observant and the fact that designs will often be considered side by side are both clearly intended to narrow the scope of design protection. Although no doubt minute scrutiny by the informed user is not the right approach, attention to detail matters.”

42. I find that the informed user in this case is a person who regularly organises outside events or gatherings, such as the owner of a restaurant with a terrace, and uses chimeneas for heating purposes.

43. Even if I am wrong to find that the only relevant difference between the designs – the slightly rounded corners to the openings of the registered design – are a material difference compared to the partly rounded and partly right angle corners to the openings in the Malmo design, I have no hesitation in finding that this has so little impact on the look of the designs that they would create the same overall impression on an informed user of chimeneas.

44. I therefore find the registered design lacked ‘individual character’ at the relevant date.

Outcome

45. The registered design is invalid and the registration of it will be cancelled.

Costs

46. The applicant asks for off-scale costs. This request is explained as follows.

“We... request that the applicant is awarded its full costs in this matter. We submit that the registered proprietor has imported from China a copy of the applicant’s MALMO chimenea, which is supported by the identical shape and

size of the two designs. Having done so, the registered proprietor has then registered the copied design despite not being the author or owner of the design. The registered proprietor has refused to withdraw the design registration, despite the request of the applicant, and has left the applicant with no option other than to continue with the present application for invalidity. In light of the conduct and unreasonable behaviour of the registered proprietor, we would request that the Hearing Officer awards costs off scale to the full amount incurred by the applicant, to be provided to the Hearing Officer following conclusion of the hearing.”

47. There is no doubt that Section 68 of the Trade Marks Act 1994 and Rule 67 of the Trade Mark Rules 2008 give the registrar a wide discretion to award reasonable costs. However, although the courts have endorsed the registrar’s power to award compensatory costs in cases of unreasonable behaviour, it does not follow that compensatory costs must be awarded whenever there is unreasonable behaviour. Rather, as stated in *Rizla’s Application*,⁷ the question is whether “the behaviour in question constituted such exceptional circumstances that a standard award of costs would be unreasonable.” This must be assessed taking into account all the relevant factors.

48. The factors identified by the applicant appear to be that the applicant copied its design, registered itself as the owner, and refused to surrender the registration when challenged.

49. I accept that it is likely that KD & J, or the manufacturer in China it uses, or some other party, copied the Malmo design. However, there has been no cross examination and I do not consider that it has been established that KD & J copied the design, or that it knew it had been copied when it applied to register the design. I do not therefore consider the circumstances to be so exceptional as to justify an award of off-scale costs.

⁷ *Rizla Ltd’s Application* [1993] RPC 365

50. Guided by the registrar's published scale, I assess that KD & J should pay La Hacienda Limited £1800 as a contribution towards its costs. This is made of:

£150 for filing the application for invalidation and considering the counterstatement (official fee plus 5 hours at £20 per hour);
£900 for filing evidence and considering evidence in support of the registration.
£750 for the hearing and the skeleton argument.

51. In reaching these figures I have taken into account that the applicant was legally represented at the hearing and although acting in person prior to that, evidently obtained legal assistance in the preparation of its evidence.

52. Subject to appeal, the above sum should be paid within 14 days of the end of the period allowed for appeal or, if there is an appeal, within 14 days of the conclusion of these proceedings.

Dated this 2ND Day of June 2017

**Allan James
For the Registrar**