



**DECISION
of the Third Board of Appeal
of 12 August 2014**

In Case R 226/2013-3

VVPP Investment Anstalt AG

Vaduz Landstrasse 25, Postfach 439

FL-9490 Vaduz

Liechtenstein

RCD Holder / Appellant

represented by INTELLEXIS SRL, 68 Cutitul de Argint Str., 2-nd floor,
RO-040558 Bucharest, Romania

v

ALEN MAK AD

148 Vasil Levski Str.

BG-4000 Plovdiv

Bulgaria

Invalidity Applicant / Respondent

represented by Yordan Politov, Tintyava str. 13B, floor 6, BG-1113 Sofia, Bulgaria

APPEAL relating to Invalidity Proceedings No 8 514 (registered Community design
No 1 709 619-0004)

THE THIRD BOARD OF APPEAL

composed of Th. M. Margellos (Chairperson), C. Rusconi (Rapporteur) and
H. Salmi (Member)

Registrar: P. López Fernández de Corres

gives the following

Decision

Summary of the facts

- 1 By an application filed on 19 May 2010, VVPP Investment Anstalt AG ('the RCD holder') sought to register the following design ('the contested design')



- 2 The indication of the products reads as 'logos', which the RCD holder explains in the application for registration, 'are to be used mostly in connection with cosmetic products as elements of the general design of the packages or as logos in the commercial communication and trade documents'.
- 3 The design was registered and published in the Community Designs Bulletin No 124/2010 of 8 June 2010.
- 4 On 10 July 2011, ALEN MAK AD ('the invalidity applicant'), represented by Biliana Magardichian, professional representative No 37 621, filed an application for a declaration of invalidity of the contested design. The invalidity applicant indicated as the grounds for invalidity that the contested design lacks novelty and individual character in view of the following prior design:



registered as a trade mark under No 6 834 and published in December 1998 in Official Bulletins No 12/98 and No 5/1999 of the Bulgarian Patent Office (BPO). The invalidity applicant attached documents, in Bulgarian and English, showing all the particulars of the trade mark registrations (filing date, trade mark, goods, ownership, etc.). The same evidence, mentioning in addition the link to the BPO database, was submitted again on 21 September 2011.

- 5 On 27 September 2011, the Invalidity Division informed the invalidity applicant that its application was admissible and forwarded the same, and the attachments, to the RCD holder for comments.

- 6 On 10 January 2012, the RCD holder informed the Invalidation Division that the company acting as the invalidity applicant was involved in liquidation proceedings and might thus not have the legal capacity to pursue the invalidity application. The RCD holder accordingly requested the Invalidation Division to show it a copy of the authorisation issued by the invalidity applicant.
- 7 On 31 May 2012, the RCD holder submitted observations on the substance of the invalidity application. It requested that the invalidity application be rejected as inadmissible on the ground that the invalidity applicant had been declared bankrupt by the Court of Appeal of Plovdiv (Bulgaria) in decision No 84 of 21 February 2011 and it was, thus, not legally entitled to file an invalidity application. The RCD holder also questioned the authorisation submitted by the invalidity applicant. On the substance of the application, the RCD holder observed that disclosure of the earlier design had not been proved because the documents submitted bore no BPO emblem and had thus no official nature.
- 8 On 18 June 2012, Yordan Politov (Professional Representative No 49 731) submitted an authorisation to represent the invalidity applicant in all proceedings before the Office. The authorisation was signed by Stefan Georgiev, as trustee in bankruptcy.
- 9 On 14 August 2012, Yordan Politov responded, on behalf of the invalidity applicant, to the RCD holder's observations. He argues that Alen Mak AD, even if under bankruptcy proceedings, still exists as a company and still may act legally, albeit through the judicially appointed trustee in bankruptcy (Mr Stefan Georgiev). He attached judgement No 84 of 21 February 2011 of the Court of Appeal of Plovdiv (Bulgaria) to substantiate this argument. He also attached judgment No 1 343 of 28 July 2011 whereby the District Court of Plovdiv authorised the trustee to take legal action against the RCD holder in order to preserve the invalidity applicant's assets.
- 10 On 29 November 2012, the Invalidation Division issued a decision ('the contested decision') declaring the contested design invalid according to Article 25(1)(b) CDR and ordering the RCD holder to bear the costs. The reasoning in the contested decision was, in essence, the following:
 - The fact that the invalidity applicant was in bankruptcy did not prevent it from acting; moreover, the trustee was authorised by the Court to initiate the invalidation proceedings in order to protect the company's assets;
 - On Article 5 CDR: since the RCD differs in colour and text from the earlier design, it is new;
 - On Article 6 CDR: the informed user is aware of graphic designs on the market; there is a huge variety of such articles and the designer's freedom is not limited by technical constraints;
 - 'The compared designs are identical regarding the fonts and layout of the main elements, i.e. the words ALLEN MAK. The contested RCD differs from the prior design as for the red colour added to the words ALLEN MAK, and in words BULGARIA attached to the dominant signs. The prior design was

disclosed without colour specification but as it may be used in different colours, the informed user will give a relatively low significance to the red colour in the RCD. The words Bulgaria in the RCD are perceived as elements underlining the dominant signs. Taking into account unlimited freedom of the designer, the RCD does not depart from the prior design sufficiently to have individual character. The overall impression produced on the informed user thus does not differ from the prior design, and the prior design forms the obstacle to the protection of the contested RCD’;

- As a result, the RCD lacks individual character and must be declared invalid.

11 On 30 January 2013, the RCD holder filed an appeal and the corresponding statement of grounds of appeal was received on 29 March 2013.

12 The invalidity applicant’s observations reached the Office on 17 June 2013.

13 The RCD holder replied on 22 August 2013.

14 The invalidity applicant submitted no further comments.

Submissions and arguments of the parties

15 The RCD holder’s arguments can be summarised as follows:

- The invalidity application should have been dismissed as inadmissible pursuant to Article 52 CDR and 30 CDIR because the company identified in the application (Alen Mak AD) no longer existed as a legal person when the application was filed since it had been previously declared bankrupt by a court decision; the company, as a result of the bankruptcy declaration, became ‘another’ entity called ‘Alen Mak AD in bankruptcy’, governed by a judicial administrator; in order to be admissible, the invalidity application should, thus, have been filed in the name of ‘Alen Mak AD in bankruptcy’ and the person signing the authorisation should have been the judicial administrator;

- The disclosure of the earlier design has not been adequately proved: the documents presented (claimed to be Bulgarian Official Bulletins) bear no indication showing that they are genuine; in addition, they were not translated into English (the language of proceedings) and colour reproductions of the design were not submitted; the evidence thus does not comply with Article 29(5) CDIR;

- Even if it is considered validly disclosed (*quod non*), the earlier design does not deprive the contested RCD of its individual character; the only factor of similarity is the name ALEN MAK whereas the designs differ as regards the colours (the contested RCD is red, the earlier design is black and white), and the spacing between the words; these differences will be noticed by an informed user.

16 In its observations, the invalidity applicant essentially argued as follows:

- The invalidity applicant, even if in bankruptcy, continues to exist as a legal entity and maintains its capacity to act in defence of its assets; it is represented

by a trustee who duly authorised the acting lawyer (Mr Yordan Politov) to initiate the invalidity proceedings;

- These proceedings were, moreover, authorised by Court Ruling No 1 343 of 28 July 2011 as a measure to safeguard the bankrupt company's assets;
- The contested RCD lacks novelty because it is identical, save immaterial details, to the earlier design which was disclosed in Bulgarian Official Bulletin No 12/1998; excerpts of the publication are attached, also in English; the Bulgarian Patent Office (BPO) was unable, for technical reasons, to supply a colour copy of the design; this design can be seen in OHIM's databases DesignView and TMView as well as on the BPO's website.

17 The RCD holder replies that the invalidity applicant should have identified itself as 'Trustee in bankruptcy representing Alen Mak AD in bankruptcy' rather than 'Alen Mak AD' and that the application was, accordingly, inadmissible. It also underlines that the English translation of the publication evidence should be dismissed as belated, since it should have been submitted at the stage of invalidity (not appeal) proceedings.

Reasons

18 The appeal complies with Articles 55 to 57 CDR and Article 34(1)(c) and (2) CDIR. It is, therefore, admissible.

19 The appeal, however, is not well founded and shall be dismissed for the reasons illustrated hereinafter.

On the admissibility of the application for declaration of invalidity

20 The RCD holder claims that Alen Mak AD – in whose name the application of a declaration of invalidity was filed – was undergoing bankruptcy proceedings at the time the application was filed and was not, for this reason, legally entitled to act.

21 As correctly noted by the Invalidity Division, the fact that Alen Mak AD was a company undergoing bankruptcy proceedings did not entail a loss of legal personality. It simply entailed that the company had to be administered by somebody (a trustee, a liquidator) appointed by the competent court rather than by its own managers.

22 The invalidity applicant duly proved that a trustee (Stefan Georgiev) was appointed by the competent court to administer the company and protect its assets and interests during the bankruptcy proceedings and that the action for invalidity was expressly authorised by the court.

23 There is also evidence – in the form of a signed authorisation – that Mr Georgiev has appointed Mr Politov, professional representative No 49 731, to represent the company before the OHIM in these invalidity proceedings.

24 It follows that the application for invalidity may not be dismissed as inadmissible pursuant to Article 30 CDIR.

On the substance: lack of individual character of the contested design

- 25 Under Article 25(1)(b) CDR a Community design may be declared invalid if it does not fulfil the requirements of Articles 4 to 9 CDR.
- 26 Under Article 4(1) CDR a design is to be protected as a Community design to the extent that it [...] has individual character.
- 27 Individual character is defined by Article 6 CDR:
- ‘1. A design shall be considered to have 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:
- (a) ...
- (b) in the case of a registered Community design, before the date of filing of the application for registration or, if a priority is claimed, the date of priority.
2. In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.’

- 28 The question posed pursuant to Articles 5 to 7 CDR is essentially whether, prior to the contested RCD’s filing date, a design that produces the same overall impression on the informed user, had been made available to the public.

The earlier design and its divulgation

- 29 The Board agrees with the contested decision that the extract from the Bulgarian Patent Office for trade mark No 6 834 is evidence of disclosure prior to the RCD’s filing date within the meaning of Article 7(1) CDR.
- 30 This has been disputed by the RCD holder on the grounds that the official nature of the documents is uncertain and that the extract had not been translated into English (the language of proceedings).
- 31 The Board notes, however, that the documents that the invalidity applicant submitted as an attachment to its letter of 14 August 2012, in order to prove disclosure of the earlier design, are a photocopy of the Bulgarian Official Bulletin dated 12 December 1998. The document is the full page 91 of the Bulletin and nothing supports the view that the document might not be the photocopy of a page belonging to an official publication. Moreover, it appears from the file that a full English translation has been submitted.

Individual character

The informed user

- 32 It is apparent from Recital 14 in the preamble to the CDR that, when assessing whether a design has individual character, account should be taken of 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 (22.06.2010, T-153/08, ‘Communications equipment’, EU:T:2010:248, § 43).

- 33 According to case-law, an ‘informed user’ within the meaning of Article 6 CDR is neither a manufacturer nor a seller of the products in which the designs at issue are intended to be incorporated or to which they are intended to be applied. An informed user is particularly observant and has some awareness of the state of prior art, that is to say the previous designs relating to the product in question that have been disclosed on the filing date, or the priority date, of the contested design (09.09.2011, T-10/08, ‘Internal combustion engine’, EU:T:2011:446, § 23; and 18.03.2010, T-9/07, ‘Metal rappers’, EU:T:2010:96, § 62, confirmed by 20.10.2011, C-281/10 P, ‘Metal rappers’, EU:C:2011:679, § 54).
- 34 The status of ‘user’ implies that the person concerned uses the product in which the design is incorporated, in accordance with the purpose for which that product is intended (22.06.2010, T-153/08, ‘Communications equipment’, EU:T:2010:248, § 46).
- 35 The qualifier ‘informed’ suggests that, without being a designer or a technical expert, the user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his or her interest in the products concerned, shows a relatively high degree of attention when he or she uses them (20.10.2011, C-281/10 P, ‘Metal rappers’, EU:C:2011:679, § 59 and 22.06.2010, T-153/08, ‘Communications equipment’, EU:T:2010:248, § 47).
- 36 The contested RCD is registered for ‘logos’. The RDC holder explained, when submitting the application for registration, how this logo should be ‘used’. The logo is intended to be used as part of the design of packaging for cosmetic products and for advertising purposes.
- 37 The informed user to be taken into account is, on the basis of this information and the appearance of the design, whoever habitually purchases logos, puts them to their intended use – distinguishing goods on packaging and advertisements – and has become informed on the subject by browsing through catalogues of logos and packaging designs, visiting graphic design fairs, reading specialised magazines on graphic design and advertising, downloading information from the Internet, etc. (see, by analogy, decision of 18 September 2007, R 250/2007-3, ‘Tavoli’).

The designer’s degree of freedom in developing his/her design

- 38 The designer’s degree of freedom in developing his or her design is established, *inter alia*, by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product. Those constraints result in a standardisation of certain features, which will thus be common to the designs applied to the product concerned. The more the designer’s freedom in developing the contested design is restricted, the more likely minor differences between the designs at issue will be sufficient to produce a different overall impression on the informed user (18.03.2010, T-9/07, ‘Metal rappers’, EU:T:2010:96, § 67 and 72).

- 39 The greater the designer's freedom in developing the challenged design, the less likely it is that minor differences between the designs at issue will be sufficient to produce a different overall impression on an informed user. Conversely, the more the designer's freedom in developing the challenged design is restricted, the more likely minor differences between the designs at issue will be sufficient to produce a different overall impression on an informed user. Therefore, if the designer enjoys a high degree of freedom in developing a design, that reinforces the conclusion that the designs which do not have significant differences produce the same overall impression on an informed user (09.09.2011, T-10/08, 'Internal combustion engine', EU:T:2011:446, § 33).
- 40 The degree of freedom of a designer who creates logos is basically limited only by his or her own imagination (plus, obviously, the client's briefing). The informed user will, therefore, be aware that logos may have, in principle, any imaginable appearance.

Overall impression produced on the informed user

- 41 The designs both have an almost identical appearance since they represent two versions of a two-word expression handwritten in Roman and Cyrillic letters. The font used is identical. The only difference is the presence, in the contested RCD, of the name BULGARIA and the colour used (red) for the expression.
- 42 In the Board's opinion, these differences will not escape the informed user's notice and do not alter the overall impression of quasi-identity between the two designs, which is caused by (a) the identical text content of the designs, (b) their rendering in two alphabets and (c) the fact that the two handwritten expressions are one above the other. The name BULGARIA appears in letters that are much smaller than the rest of the design. The red colour does not, *per se*, confer individual character to the contested design because the informed user of logos and other signs to be used in commercial communication (advertising) is perfectly aware that red is a colour that attracts visual attention and is, thus, one of the favourite colours in packaging and advertising.
- 43 The aforementioned differences in the designs are not sufficient to deduce that they produce a different overall impression on the informed user. Consequently, the overall impressions of the contested design and the sign of the earlier design (which is a trade mark) are of such a nature so as to deprive the RCD of its individual character pursuant to Article 6 CDR.
- 44 It follows from all the above considerations that the contested decision did not err in finding that the designs do not produce a different overall impression on the informed user.

Conclusion

- 45 It follows from all the above considerations that the contested decision did not err in finding that the designs at issue are in conflict within the meaning of Article 25(1)(b) CDR.
- 46 Accordingly, the appeal is dismissed.

Costs

- 47 Since the RDC holder is the losing party it has to bear the fees and costs incurred by the invalidity applicant, in accordance with Article 70(1) CDR.

Order

On those grounds,

THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the RCD holder to bear the fees and costs incurred by the invalidity applicant.**

Th. M. Margellos

C. Rusconi

H. Salmi

Registrar:

P. López Fernández de Corres