



DECISION
of the Third Board of Appeal
of 22 November 2006

In Case R 196/2006-3

Daka Research Inc.

P.O. Box 957
Offshore Incorporations Centre
Road Town
Tortola
British Virgin Islands

Appellant

represented by KLUNKER, SCHMITT-NILSON, HIRSCH, Winzererstraße 106,
D-80797 Munich, Germany

v

Ampel 24 Vertriebs-GmbH & Co. KG

Dorfstraße 27
D-24587 Fehrdorf
Germany

Respondent

represented by BOEHMERT & BOEHMERT, Niemannsweg 133, D-24105 Kiel,
Germany

APPEAL relating to Invalidation Proceedings No ICD 867 (Registered Community Design
No 225073-0001)

THE THIRD BOARD OF APPEAL

composed of Th. Margellos (Chairperson), D.T. Keeling (Rapporteur) and
C. Rusconi (Member)

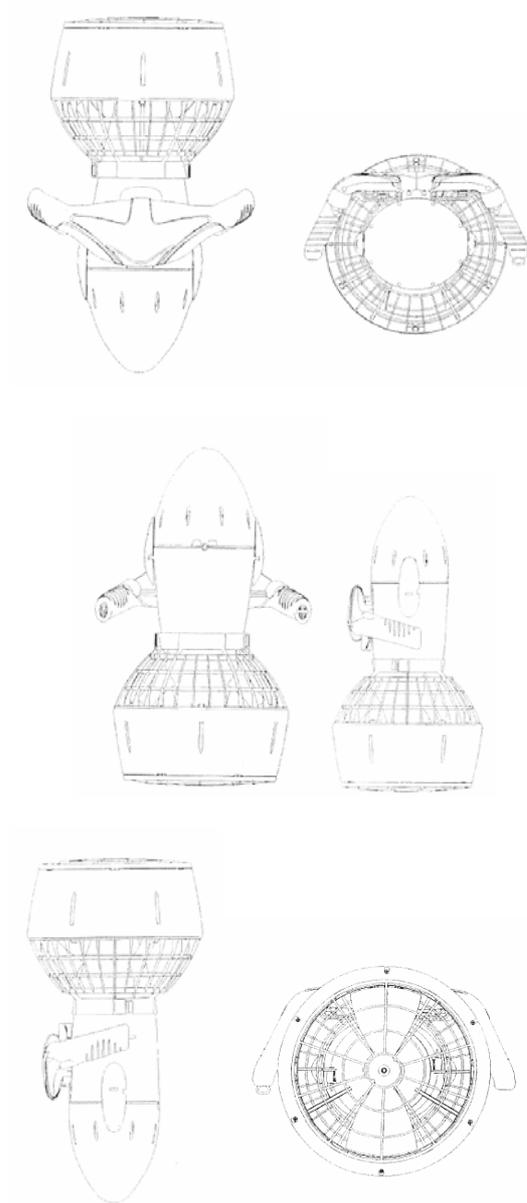
Registrar: E. Gastinel

gives the following

Decision

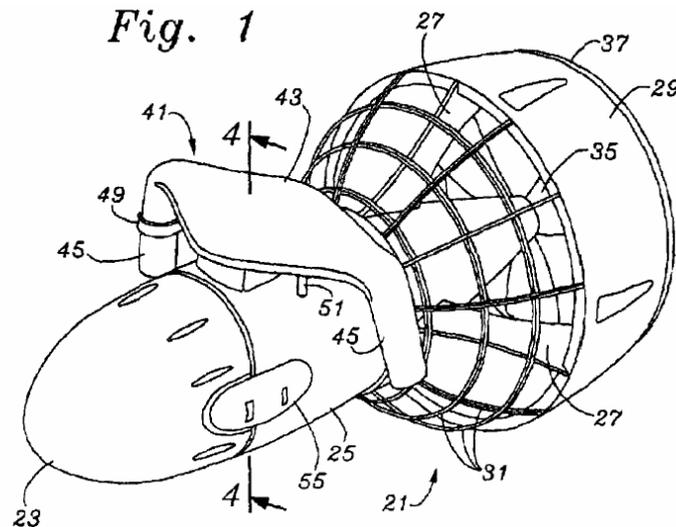
Summary of the facts

- 1 The appellant is the holder of Registered Community Design No 225073-0001 ('the contested RCD'), which has a filing date of 25 August 2004. The contested RCD is registered for 'underwater motive devices'. It is represented as follows:

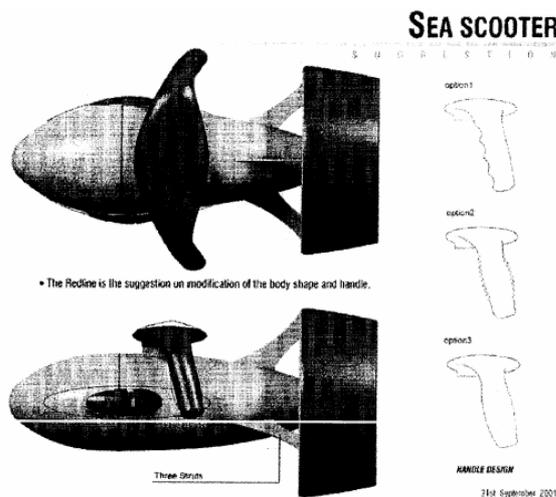


- 2 On 8 April 2005 the respondent filed an application for a declaration of invalidity against the contested RCD. In that application the respondent argued that the design did not fulfil the requirements of novelty with respect to Article 4 of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community Designs ('CDR') (OJ EC 2002 No L 3, p.1). The respondent also stated that most features of the contested RCD were necessary for a technical function within the meaning of Article 8 CDR.

- 3 According to the respondent, the RCD lacked novelty because it had been anticipated by European Patent Application No EP 1413 512 A1, filed by Mr Pat Y Mah and published on 28 April 2004, and because the product incorporating the design had been marketed through Daka Europe Ltd. since 2002.
- 4 As evidence the respondent produced an extract from the European Patent Office's Bulletin relating to European Patent Application No 1 413 512 A1. The extract contained various drawings, including the following:



- 5 The respondent also produced a copy of a letter, dated 5 April 2005, which Daka Europe Ltd. had sent to an alleged infringer of its intellectual property rights in a product called the 'Sea-Doo Sea Scooter'. The letter stated that the Sea-Doo Sea Scooter was designed by Mr Alex Kalogroulis, an employee of Daka Europe Ltd., between January 2001 and January 2002 and was first put on the market in June 2002 in the EU and worldwide. Attached to the letter was 'a copy of the original sketches from a design file', in which the device was depicted as follows:



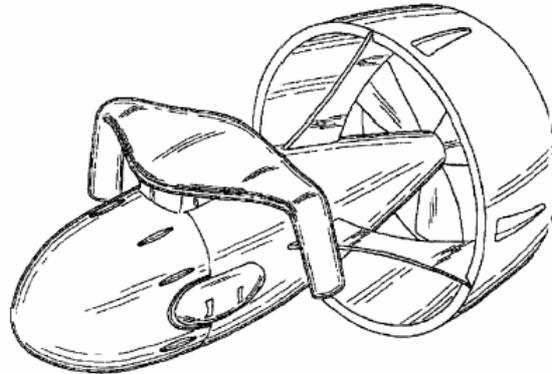
6 Invited by the Office to comment, the appellant submitted written observations on 13 June 2005. It argued as follows:

- The features of the contested RCD are not dictated by the device's technical function. The designer had a degree of freedom in choosing all the main features of the device. The position of the propeller and protective shroud surrounding it could have been different. The shape of the body could have been different. The handle, instead of being fixed to a single element, could have been attached to the body in a number of different arrangements.
- The contested RCD possesses both novelty and individual character. The European patent application referred to by the respondent is not relevant for the purpose of assessing the novelty and individual character of the design. Mr Pat Y Mah is the executive chairman of the appellant company. He is the inventor and designer of the Sea-Doo Sea Scooter, which he patented in his own name. The drawings of the patent application therefore trace back to the designer. The patent application was published only four months before the filing of the contested RCD. [The appellant was presumably invoking the 12-month period of grace provided for in Article 7(2) CDR.]
- The drawing attached to the letter of 5 April 2005 was an internal document and was not made available to the public. The product named ZS01 has been on the market since June 2002 in Europe and elsewhere. This is a photograph of the ZS01:



- The contested RCD is different from the ZS01. The product corresponding to the contested RCD is called the ZS05. The differences relate mainly to the handle. These differences are sufficient to give the RCD novelty and individual character. The informed user is familiar with the various underwater scooters on the market, in particular the ZS01. The ZS05 is a design update. The changes are limited to changes which allow the customer to recognize the original design but which have sufficient impact on the overall impression for the customer to realise that it is a new design. The user will pay particular attention to the handle element because that is the part he will most often be in contact with. Also, he will realise that the handle is relatively easy to redesign without a complete technical redesign of the whole product.
- 7 The respondent filed observations on 24 June 2005, arguing that any differences between the design of the ZS01 and the ZS05 were immaterial details relating to

features that were necessary for a technical function. The respondent also argued that the contested RCD had been anticipated by the publication of US Design Patent No D 471 506 S, which was granted on 11 March 2003. The following drawing was published in connection with that grant:



- 8 On 23 August 2005 the appellant submitted further written observations to the Office. The appellant continued to maintain that the contested RCD possessed novelty and individual character. The appellant claimed that only the ZS01 was put on the market in June 2002 and that the ZS05 was not put on the market until October 2003, i.e. less than 12 months before the filing date of contested RCD. As regards US Design Patent No 471 506 S, that related – according to the appellant – only to the ZS01 design and did not disclose any of the relevant features of the contested RCD.
- 9 On 1 December 2005 an Invalidity Division of the Office issued a decision (‘the contested decision’) declaring the contested RCD invalid and ordering the appellant to bear the costs.
- 10 The contested decision was based on a comparison between the contested RCD (corresponding to the model known as the ZS05) and the picture of the ZS01 that was attached to the appellant’s letter of 13 June 2005 (see paragraph 6 above). The Invalidity Division considered that both parties had produced evidence to show that the ZS01 had been made available to the public in 2002, notably ‘at the occasion of the ISPO fair in Munich in August 2002’. The two designs were identical except for differences in their handles. These differences were not ‘immaterial details’ within the meaning of Article 5(2) CDR. On that basis, therefore, the contested RCD could not be said to lack novelty. The differences between the handles were not, however, sufficient to mean that the two designs produced a different overall impression on the informed user. The Invalidity Division noted that none of the features of the contested RCD should be disregarded on the ground that it was dictated solely by the technical function of the underwater motive device. Since the two designs produced the same overall impression on an informed user, the RCD lacked individual character.
- 11 On 31 January 2006 the appellant filed a notice of appeal against the contested decision. The appellant submitted a statement of grounds on 30 March 2006.

- 12 On 6 April 2006 the respondent was invited to submit a response by 6 June 2006 but omitted to do so.

Submissions and arguments of the parties

- 13 The appellant requests the Board to annul the contested decision and maintain the contested RCD on the register. As an auxiliary measure the appellant asks for oral proceedings. Its arguments may be summarized as follows:

- The contested decision is correct in that it maintains that the differences are with the handle elements. The handle of the ZS01 has an overall symmetrical shape with a leading edge and a trailing edge which are uninterrupted. The leading edge has a more or less straight centre portion from where it sweeps backwards toward the handles. The handles extend downwardly and outwardly from the handle wing along a straight line and have a constant cross section. The handles, like the handle wing, have a completely flat surface. The upper surface of the handle wing is flat.
- The overall impression of the RCD is different in several respects:
 - (i) The handle element has a contoured surface. The different level surfaces have particular ornamental shapes. The contoured surface extends from the handle wing into each of the handles and forms the grip portion of each of the handles.
 - (ii) The RCD has two switches which are not present in the earlier design. The switches are relatively large and eye-catching. Even though one switch would suffice, two switches are present for design reasons.
 - (iii) The different level surfaces extend over the leading edge of the handle wing. Consequently, as compared to the earlier design the continuous shape of the leading edge is interrupted.
 - (iv) Similarly the continuous shape of the trailing edge is interrupted but there are seven ribs each on the leading edges of the handles which give the handles a high-quality appearance.
 - (v) The handles no longer have a continuous section but there are seven ribs each on the leading edges of the handles which give the handle a high quality appearance.
 - (vi) There is a ring at the lower end of the left side handle.
- The respondent is correct in saying that some of the elements of the RCD are necessary for a technical function. This applies particularly to the streamlined hull and the rotational symmetric propeller shroud. The handle element is the third main component of the RCD. The greatest freedom of design clearly is with the handle element. The informed user will understand that the design of the handle element substantially determines the overall impression of the RCD.

Moreover, the hull and the propeller shroud clearly obey technical design solutions without any ornamental additions, while the handle element includes ornamental features beyond the pure technical design solution.

- The RCD is just a modification of the ZS01. It is the ‘luxury version’ of the earlier product. Experience in the market has shown that the differences between the two designs are sufficient to produce a different overall impression on the informed user. The different overall impression of the RCD is linked in the user’s mind with the appellant’s new product (and the substantial technical differences between the two versions).
- There is no doubt that the handle element of the RCD alone, i.e. without the hull and the propeller shroud, is new and has individual character in relation to the earlier design. The handle element is still individually present in the RCD. The design features of the handle element do not vanish or merge into the overall design. In such a situation the individual character of the handle element within the complete design should be sufficient to establish the individual character also of the complete design (even more where the freedom of design for the hull and propeller shroud is limited).

Reasons

- 14 The appeal complies with Articles 55 to 57 CDR and Article 34(1)(c) and (2) of Commission Regulation (EC) No 2245/2002 of 21 October 2002 implementing Council Regulation (EC) No 6/2002 on Community designs (‘CDIR’) (OJ EC 2002 No L 341, p. 28). It is therefore admissible.
- 15 Under Article 4(1) CDR a design is to be protected as a Community design to the extent that it is new and has individual character.
- 16 Novelty is defined by Article 5 CDR in the following terms:
 - ‘1. A design shall be considered to be new if no identical design 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 of the design for which protection is claimed, or, if priority is claimed, the date of priority.
 2. Designs shall be deemed to be identical if their features differ only in immaterial details.’
- 17 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.'

18 In its application for a declaration of invalidity the respondent referred to the lack of novelty of the contested RCD with respect to Article 4 CDR and contended that the design had been anticipated by a European patent application published on 28 April 2004. It was also argued that a product into which the design had been incorporated was marketed by a company associated with the respondent from June 2002.

19 The respondent did not, in its application for a declaration of invalidity, refer to the contested RCD's lack of individual character. That concept was first mentioned by the appellant in the observations that it filed on 13 June 2005. There the appellant argued that the contested RCD possessed both novelty and individual character. From that point on, both parties have addressed the issues of novelty and individual character jointly without striving to make a clear distinction between the two concepts. It is in any event clear that novelty and individual character, although presented as separate requirements in Articles 4 to 6 CDR, overlap to some extent. Obviously, if two designs are identical except in immaterial details, they will produce the same overall impression on the informed user. It is equally obvious that, if two designs produce a different overall impression on the informed user, they cannot be identical.

20 In spite of the overlap between novelty and individual character, there are certain differences between the two requirements. The test for novelty is essentially of an objective nature. The Board simply has to decide whether two designs are identical. The only area where difficulties of interpretation might arise is in relation to the term 'immaterial details'. The test for individual character is less straightforward and is likely to give rise to slightly more subjective appraisals. The Board is required to take into account the overall impression on the informed user, having regard to the degree of freedom of the designer in developing the design. Presumably this means that if the designer had relatively little freedom in developing the design, especially on account of technical constraints, even small differences in relation to earlier designs may be sufficient to endow the design with individual character.

21 In the contested decision the Invalidity Division held that the contested RCD lacked individual character because it produced the same overall impression on the informed user as the design shown above in paragraph 6 (third indent). That design corresponds to the product known as the ZS01. The appellant does not dispute the finding in the contested decision that that design was made available to the public in

2002. The appellant's argument is that the design shown in paragraph 6 above (referred to hereafter as 'the earlier design') and the RCD do not produce the same overall impression on the informed user, as a result of a number of differences between the handles of the underwater scooter shown in the two designs. The appellant has listed these differences and described them in great detail (see paragraph 13, second indent, points (i) to (vi)).

- 22 The appellant recognises that the RCD is an updated version of the earlier design. The updating concerns only the handle element but that, according to the appellant, is sufficient to confer individual character on the updated design as a whole.
- 23 The appellant could have sought design protection for the handle alone, since it is a component part of a complex product which remains visible in normal use (see Articles 3(c) and 4(2)(a) CDR). The question then would have been whether the handle in the earlier design and the redesigned handle produce the same overall impression on the informed user. The question might well have received an affirmative answer in view of the differences enumerated by the appellant.
- 24 Since, however, the contested RCD concerns the underwater device as a whole (and not merely the handle), the comparison must be effected between the whole of the earlier design and the whole of the contested RCD. If the two designs are looked at as a whole, the conclusion must be that they produce the same overall impression on the informed user. They have the same body, the same propeller, and the same propeller shroud. The contours of the handle may vary but the position and general configuration of the handle are the same. In both designs the handle appears to be centrally attached to the body, a plate extends outwards beyond the sides of the body and two grips sweep down at a similar angle.
- 25 The appellant contends that the handle merits greater attention because that is the area where the designer enjoys the greatest margin of freedom, the design of the other elements being dictated by their technical function. That argument is not convincing. The shape of the body and the propeller shroud could differ significantly without compromising their technical function. The body could be more elongated or more bulbous. The propeller shroud could be broader or narrower and could slope at a different angle. It could incorporate ornamented features that would not affect its function. It follows that there is no reason to focus attention on the handle element rather than on the design as a whole.
- 26 The Board concludes that the contested RCD is invalid for lack of individual character. The appeal must be dismissed.

Costs

- 27 Since the appeal has been unsuccessful, the appellant must be ordered to bear the fees and costs incurred by the respondent, in accordance with Article 70(1) CDR.

Order

On those grounds,

THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the appellant to bear the fees and costs incurred by the respondent.**

Th. Margellos

D.T. Keeling

C. Rusconi

Registrar:

E. Gastinel