

There's Many a Slip 'twixt Cup and Lip: On Overall Impression, Nature of the Product and Freedom of the Designer

Pessi Honkasalo and Verna Vesanen

✉ Error of law; Finland; Individual character; Practical utility; Registered design right

The Finnish Supreme Administrative Court has held in Devisys Oy v Kuomiokoski Oy that in holding that the design right of the claimant was not a barrier to accepting a design right application, the National Board of Patents and Registrations and its Board of Appeal should have also compared the design filed with other designs referred to by the claimant.

This is a comment on the Finnish Supreme Administrative Court judgment (KHO 2012:94)¹ concerning design rights. In its decision, the court held that, in holding that the design right of the claimant was not a barrier to accepting a design right application, the National Board of Patents and Registrations and its Board of Appeal should have also compared the design filed with other designs referred to by the claimant.

Both the filed design and the design of the claimant were anti-slip devices and were both based on the same technical solution where the device is attached to a shoe by a strap. The deviations between the two designs were in the details but they were clear and evident in the outlines, lines and shapes of the designs. Taking into account the limitations on the freedom of the designer resulting from the chosen basic technical solution and the meant use of the product, the differences were sufficient to give a different overall impression. As they gave differing overall impressions, the claimant's design did not create an obstacle for registering the design. However, the Finnish Supreme Administrative Court held in its judgment of November 8, 2012 that in considering whether a design right could be registered, it was not

sufficient to solely compare the filed design to the claimant's own design, but to each design referred to by the claimant, regardless of the proprietor of the design.

Background

Kuomiokoski Oy (Kuomiokoski) sought to register a domestic design in class 2-04 (footwear, men's and women's hosiery) with the Finnish National Board of Patents and Registration (NBPR) with an application filed on February 27, 2006. Following this the claimant, Devisys Oy (Devisys), appealed to the NBPR, seeking to prevent the registration of Kuomiokoski's design,² claiming that it infringed Devisys's registered design (design 1³), and that also other very similar designs existed which had not been granted a design right, citing the so-called ICEY design (design 2⁴), an anti-slip device presented in two previous issues of a Finnish periodical (design 3), a design of a rejected design right application (design 4⁵), and a registered design that was later rescinded by a 2008 decision of the Helsinki Court of Appeal (design 5⁶).

Although there were considerable similarities, there were also some key differences between the two companies' designs. In Kuomiokoski's design the part beneath the heel was thinner and included four anti-slip ice studs, whereas in Devisys's design the part beneath the heel was larger and contained five studs. In addition, there were differences in the attaching straps, with Kuomiokoski's design containing a gap and rising indirectly upwards, whereas in Devisys's design the strap did not contain such a gap and moved horizontally.

After reviewing the case, the NBPR decided on February 14, 2007 that there were no barriers to the registration of Kuomiokoski's design. It rejected Devisys's claim, stating that, pursuant to s.2(1)-(3) of the Finnish Registered Designs Act (221/1971, as amended), which is based on the Designs Directive,⁷ the design filed was new and had individual character because the impression an informed user would get of the design differed from the overall impression she would get from viewing the claimant's design. Thus, although the designs had many similarities, the differences found in the details were deemed to give a different overall impression to the informed user.

Devisys then appealed to the NBPR's Board of Appeal in order to have the decision set aside. In its decision of March 17, 2010, however, the Board of Appeal also rejected Devisys's claim and upheld the NBPR's decision agreeing with its reasoning. Finally, the claimant decided to lodge a further appeal with the Supreme Administrative Court for the revocation of the lower instance decisions and for a confirmation that Kuomiokoski's design did

¹ Devisys Oy v Kuomiokoski Oy, Finnish Supreme Administrative Court, November 8, 2012, KHO 2012:94.

² See http://mallioikeus.prh.fi/mallinet/mahakuuen.htm?haknro=20060044&sb_haknrohaku=Submit [Accessed February 4, 2013].

³ See http://mallioikeus.prh.fi/mallinet/mahakuuen.htm?haknro=13154&sb_reknrohaku=Submit [Accessed February 4, 2013].

⁴ See <http://www.kko.fi/uploads/0efef6v55begu70.jpg> [Accessed February 4, 2013].

⁵ See http://mallioikeus.prh.fi/mallinet/mahakuuen.htm?haknro=20030277&sb_haknrohaku=Submit [Accessed February 4, 2013].

⁶ See http://mallioikeus.prh.fi/mallinet/mahakuuen.htm?reknro=23937&sb_reknrohaku=Submit [Accessed February 4, 2013].

⁷ Directive 98/71 on the legal protection of designs [1998] OJ L289/28.

not fulfil the conditions for a design right registration, namely that the design was not new and of an individual character. It justified its appeal to the Supreme Administrative Court by noting that the minor differences in detail noted by the NBPR between the designs were not enough to make the filed design different from the claimant's design because the informed user would not get a different overall impression of the two. They stated that this same overall impression was created by the nearly identical outlines, lines and the shape of the attaching strap and that the similarities included in the designs were overwhelming. Secondly, Devisys referred to the fact that neither the NBPR nor its Board of Appeal had considered the other four designs it had presented in its claim. In addition, it referred to the fact that the Board of Appeal had subsequently given a statement to the Supreme Administrative Court confirming that, inasmuch as overall impression is a matter of degree, different conclusions as to the resultant question of law were possible.

Issue

In accordance with s.1 of the Finnish Registered Designs Act, one who has created a design or her successor in title may register the design in order to receive an exclusive right to use the design in the course of trade. The granted protection extends to any later design which creates a substantially identical impression on an informed user. The requirements for registration, stemming from the Designs Directive, are contained in s.2(1) of the Act, namely that the design must be new and have individual character. A design is considered to have an individual character if the overall impression it produces on an informed user differs from the overall impression such a user may get from other designs made available to the public before the date of filing for registration.

Therefore the Supreme Administrative Court had to consider whether the filed design had an individual character that was a requirement for its registration. First it had to consider its distinctiveness compared to the claimant's design (design 1), which had already been considered by the NBPR and in the Board of Appeal's decision upholding the NBPR's findings. If the court was to find that the design in question had an individual character as compared with the claimant's design, the court would then have to consider the design in light of other designs presented by the claimant (designs 2–5).

Held

Following the final appeal, the Supreme Administrative Court rejected the claim pertaining to design 1 and for that part the NBPR's and its Board of Appeal's decisions were upheld. However, the court revoked the earlier NBPR and its Board of Appeal's decisions and sent the matter back to be decided by the NBPR in order to determine the effect that designs 2–5 would have on the

approval of the registration, as the NBPR and its Board of Appeal had committed an error of law in not comparing these designs with the filed design.

First, the court considered the differences between Kuomiokoski's and Devisys's designs and whether Kuomiokoski's design had an individual character. The court reiterated the similarities and differences between the two designs as discussed by the NBPR. It then followed a 2007 Finnish Supreme Court case (KKO 2007:103⁸) concerning Devisys's design (design 1) and the above-mentioned ICEY design (design 2), stating that the requirement of individual character is to be determined consistently when considering the conditions for granting a design right and in determining the scope of protection for that design. According to the court, a design right is the protection of the appearance of the product and one of its aims is to encourage the development of new designs. Therefore it should not hinder the further development of a design which has already been granted a design right. Although it is reasonable that a protected right cannot be bypassed by minor insignificant changes concerning the details of the design, even small changes in the details may constitute protectable subject matter if they have a clear significance to the product development.

Secondly, the court stated that in considering the individual character of the design, the courts must take into account the industry for which the design is being made as this may have an effect on the freedom the designer has in designing. This in effect means that the overall impression has to be considered in light of the industry and use for which the design has been made. In some types of products, the details can play an important part in establishing the overall impression one gets of the design, whereas for some products the details matter rather little. This means that where the use for which the product is meant limits the freedom of the designer, the details can have such importance that a design right must be granted. In fact, in some industries, there can be so little freedom in designing that the creation of a new and differing design can prove to be difficult. Also in these industries it is important to protect designs in order to encourage the development of new designs and better products. However, the court concluded that the overall impression of the design should always be considered as the determining factor in granting a design right.

Designing an anti-slip device is a question of designing a utility item. The court therefore held that it was evident that the utility of the device should be given significance. Pursuant to s.2(3) of the Act, even small changes in detail may be enough to create a different overall impression insofar as the freedom of the designer is restricted to certain basic technical solutions. In the present case, the deviations between the two designs were in the details but they were clear and evident in the outlines, lines and shapes of the designs. As they gave differing overall impressions, the claimant's design did not create an obstacle for accepting Kuomiokoski's application for

⁸ See Ella Mikkola, "National Registered Design Right" (April 2009) *ITMA Review* 13.

registration under this point. Therefore the court found no grounds to change the decision of the Board of Appeal. However, in accepting this, the NBPR and its Board of Appeal should have compared the filed design with the designs of others referred to by the claimant.

In the second part of its judgment the court considered designs 2 to 5. It noted that neither the NBPR's decision nor the Board of Appeal's ruling upholding that decision had considered these designs. The Supreme Administrative Court held that when the NBPR and its Board of Appeal rejected the argument that Devisys's design was an obstacle for the registration of Kuomiokoski's design, the NBPR and its Board of Appeal should have compared the filed design with designs 2 to 5. Because this did not happen and the Supreme Administrative Court could not decide as a court of last resort the significance that these designs might have on the design right application, the decisions of the NBPR and its Board of Appeal were revoked and the case returned to be decided by the NBPR.

Rationale

In KHO 2012:94 the Finnish Supreme Administrative Court has given a rare judgment on the application of design rights, as this is only the third such case to have reached the court since the coming into force of the Registered Designs Act—and the previous judgments date from 1977 and 1978 respectively. At the same time, obviously, it is the first Finnish Supreme Administrative Court case to consider the Act in the form in which it was amended in 2002 when implementing the Designs Directive.

Questions pertaining to novelty and individual character are at the very heart of design law. In reaching its decision the court followed established lines of both EU and national law. The decision was based to good effect on the principles enshrined in the Designs Directive but also on a careful analysis of the *raison d'être* and the general objectives of design right. It remains to be seen how these explicated standards are to be followed in the line of interpretation applied in the NBPR.