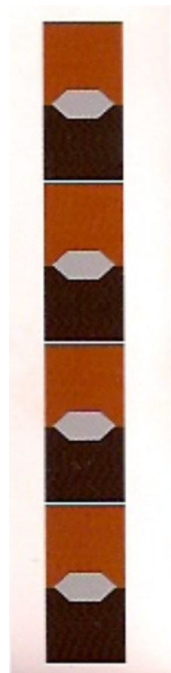


BL O/076/20

CONSOLIDATED PROCEEDINGS

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

**IN THE MATTER OF REGISTERED DESIGN Nos. 6038752 & 6040892
IN THE NAME OF MFP-ENTERPRISES LTD**



AND

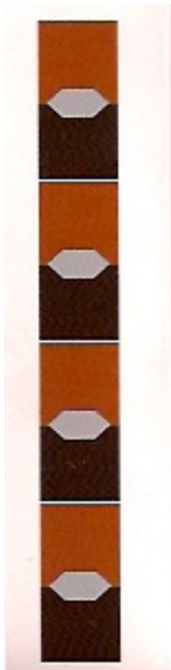
**THE APPLICATIONS FOR INVALIDATION (Nos. 33/18 & 34/18)
BY JUUL LABS, INC**

Background and pleadings

1. The registered designs which are the subject of this dispute were filed by MFP-Enterprises Ltd (“the registered proprietor”) on 6 July 2018 (no. 6038752, invalidation no. 34/18) and 7 August 2018 (no. 6040892, invalidation no. 33/18). The designs are described on the application forms by the registered proprietor as “vape refill tank non leakable pod” and “pod tank packaging”. The main representations on the register are as follows:



6038752



6040892

2. Each design application contained multiple illustrations which I will set out later in this decision. Both registrations record that no claim is made for colour.

3. On 20 November 2018, JUUL Labs, Inc (“the applicant”) requested that the designs be declared invalid under Section 1B of the Registered Designs Act 1949 (“the Act”), which requires that a registered design be new and have individual character. The applicant claims that it has sold such products, being Electronic Nicotine Delivery Systems (“ENDS”), since 2016. It attaches evidence of what it claims to be prior art which destroys the novelty of the registered designs¹. The applicant also claims that the designs are invalid under section 11ZA(1A)(b)(ii) of the Act because the designs are not new and do not have individual character compared to the earlier filed designs of which the applicant is the proprietor. These are attached to the applicant’s forms. The attachments were later filed as evidence, which I describe below.

4. Notices of defence and counterstatements, identically worded, were signed by Mohammed Panjwani, on behalf of the registered proprietor. At this point, the two sets of proceedings were consolidated. The counterstatements are the only documentation filed by the registered proprietor. They state (verbatim):

“To whom it may concern,

Please accept this as my counter statement to the filed infringement with the above reference, I will proceed to file evidence at a later stage.

We would like to confirm our designs were registered in the UK first before any other designs were put through.

We also believe our designs are different to the designs provided as you can see with the colours being used on the pods for the designs.

We are our own brand as SMOKENATION, which has been trade marked as well and this is the product we specialise in.

We shall provide evidences shortly and further explanations”.

¹ The application form includes a statement of truth, signed by Florian Traub of Pinsent Masons the applicant’s professional representatives, meaning that the statement of case qualifies as evidence in accordance with rule 21(1)(a) of the Registered Designs Rules 2006 (“the Rules”).

5. Only the applicant filed evidence. Neither party requested a hearing. The applicant filed written submissions in lieu of a hearing. The applicant is represented by Pinsent Masons LLP. The registered proprietor represents itself.

Evidence

6. The applicant's evidence comes from Christopher Sharp, who is a Partner at Pinsent Masons LLP. Mr Sharp's witness statement is dated 15 March 2019. He states that the content is either from his own knowledge or, where from another source, he believes the facts to be true.

7. Mr Sharp states that the applicant is a pioneer in the design and development of ENDS products. In 2015, it introduced a breakthrough ENDS product to the US market and began rolling this out to the UK in July 2018. The product is comprised of two components: i) a vaporiser device and (ii) individual disposable pods. The pods are cartridges that fit onto the vaporiser device, containing liquid that vaporises when the user inhales via the mouthpiece.

8. Exhibit CS3 consists of an online article, from drivenxdesign.com, about the applicant winning an award at the 2016 San Francisco Design Awards, showing the following images:

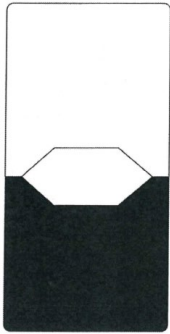


JUUL™

4 pods • multipack
5% strength

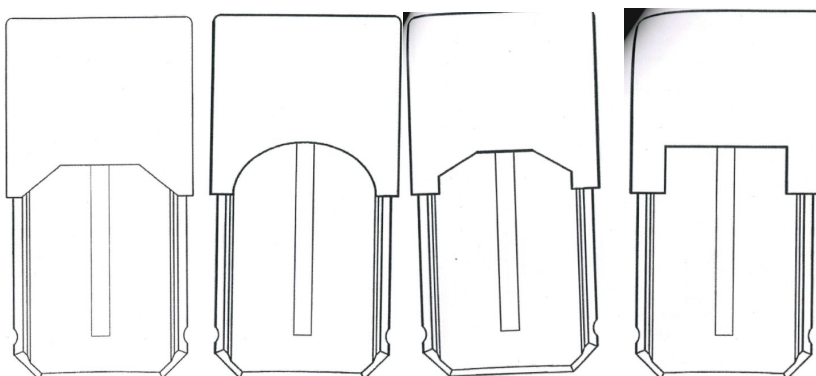
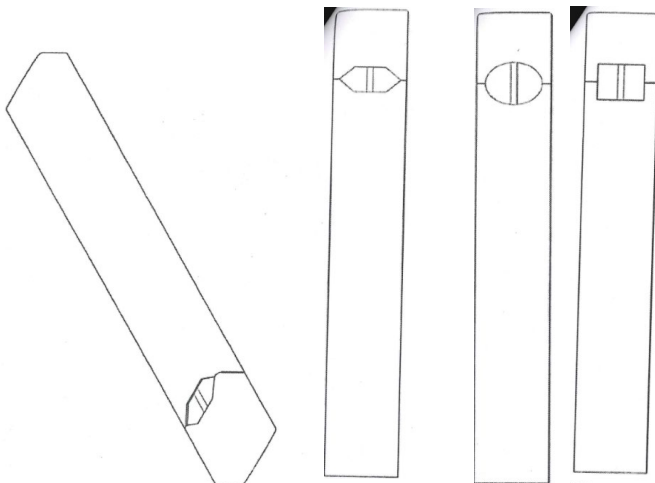


9. Exhibit CS6 comprises details of the applicant's European Trade Mark Registration number 017883607, in relation to electronic cigarettes and related goods and services:



The trade mark was filed at the European Union Intellectual Property Office on 4 April 2018.

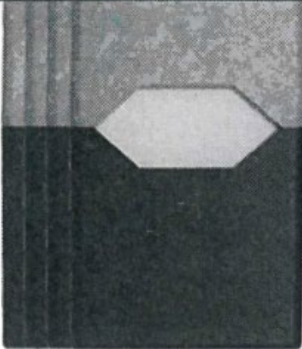
10. The applicant is also the proprietor of two international designs designating the EU: D92570 and D92571, both filed on 11 March 2016:



11. Mr Sharp states that the applicant has advertised and sold its products directly from its website since 2015. Exhibit CS7 comprises a screenshot from the applicant's

website (juulvapor.com) using the internet archive, the Wayback Machine. The print shows the content as it appeared on 30 October 2016:

https://www.juulvapor.com/shop-pods/ Go SEP OCT MAR
◀ 30 ▶
15 captures 2015 2016 2017 About this capture
30 Oct 2016 - 10 Aug 2019



cool
mint

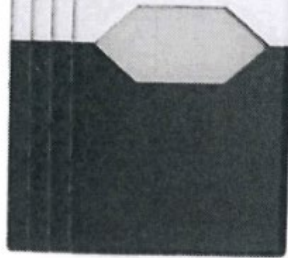
Qty



fruit
medley

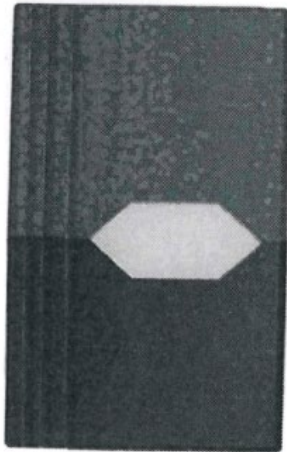
Qty

https://www.juulvapor.com/shop-pods/ Go SEP OCT MAR
15 captures
30 Oct 2016 - 10 Aug 2018
◀ 30 ▶
2015 2016 2017
About this capture



creme
brulee

Qty



virginia
tobacco

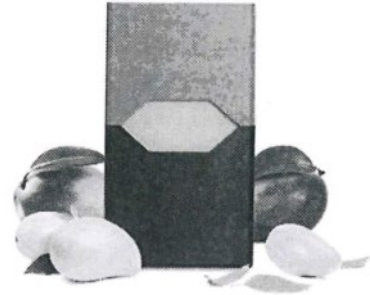
Qty

12. Exhibit CS8 comprises a screenshot from the website showing the content as it appeared on 23 December 2017:

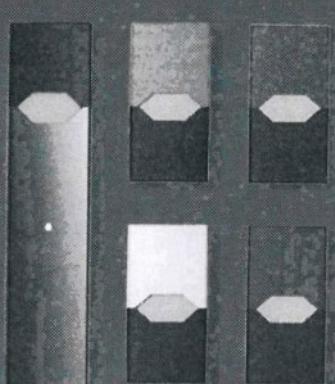
mango

It's back.

BUY NOW



SIGN UP TO GET THE LATEST JUUL NEWS AND EXCLUSIVE OFFERS



Experience intensely satisfying vapor

TRY NOW

13. Exhibit CS9 comprises a screenshot from the website showing the content as it appeared on 2 May 2018:

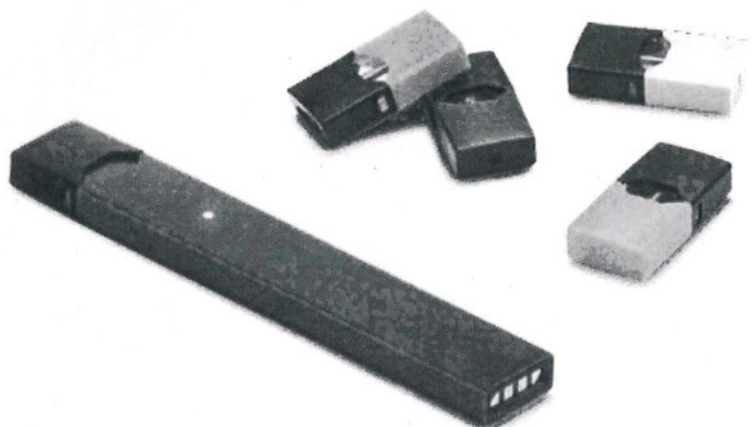
Your Journey Starts Here



With its unique satisfaction profile, simple interface, flavor variety and lack of lingering smell, JUUL stands out as the vapor alternative.

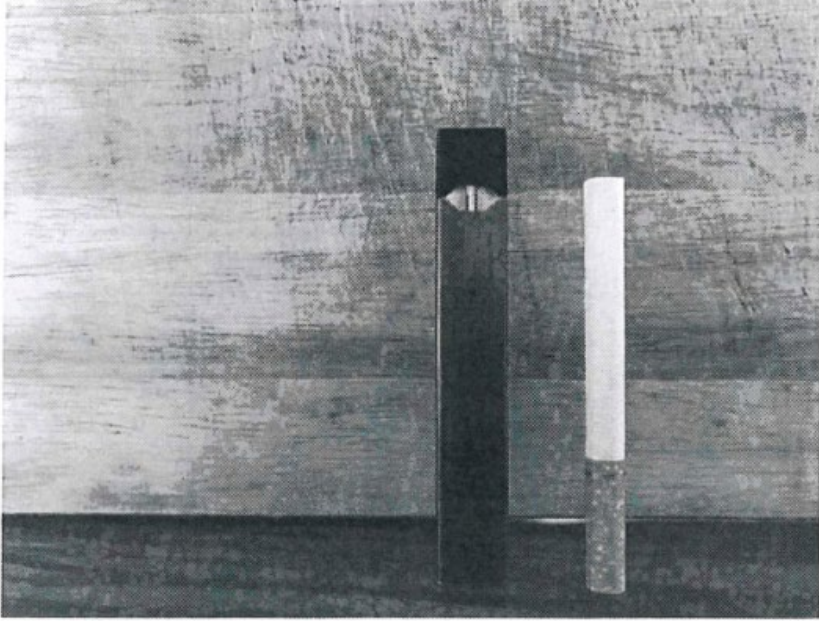
SHOP DEVICES

SHOP PODS

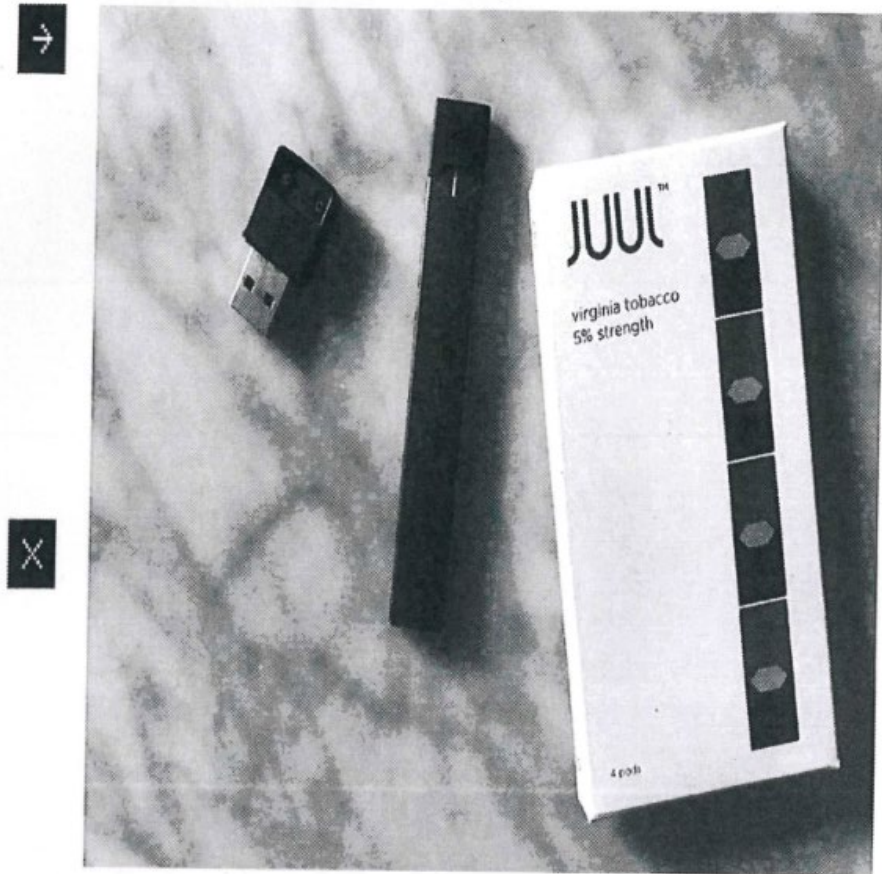
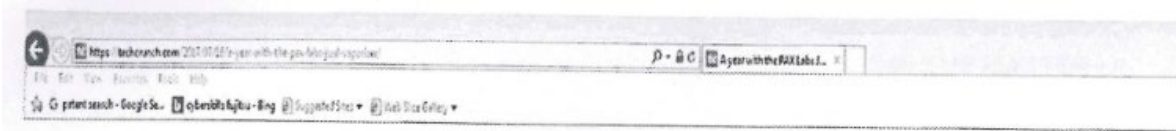


SHOP DEVICES

14. Exhibit CS10 comprises a copy of a *Tech Crunch* article (an online US publication) dated 16 July 2017, showing the applicant's product packaging. The exhibit also includes the following screenshot from the online article, together with the applicant's description of it:







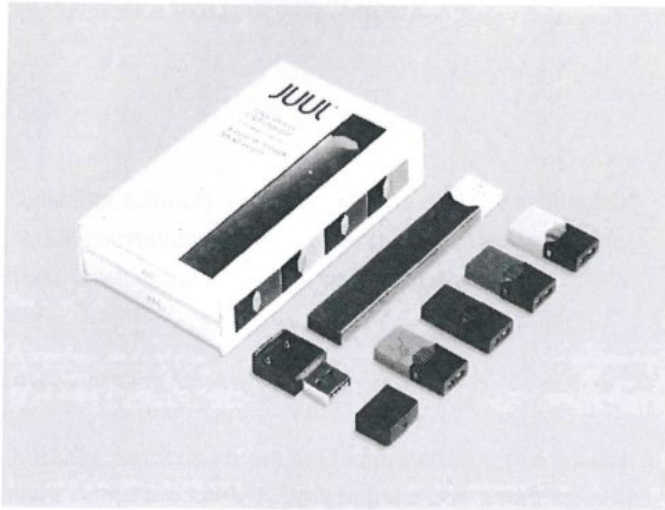
Screenshot taken on 6 March 2018 at 18:09. This is one of a series of three photos featured on the TechCrunch online article entitled "**A year with the PAX Labs Juul vaporizer**". The article was written on **16 July 2017** by the journalist Jordan Crook.

15. Exhibit CS11 comprises a copy of a *Business Insider* article (an online US publication), dated 21 November 2017. The article shows the packaging of the applicant's starter kit:

TECH FINANCE POLITICS STRATEGY LIFE ALL

How a startup behind the 'iPhone of vaporizers' reinvented the e-cigarette and generated \$224 million in sales in a year

Melia Robinson Nov. 21, 2017, 1:48 PM



JUUL Labs

- **Juul is the best-selling e-cigarette on the market, with 32% of the market share of the total e-cigarette category, according to Nielsen data.**

VIDEOS YOU MAY LIKE

by Taboola

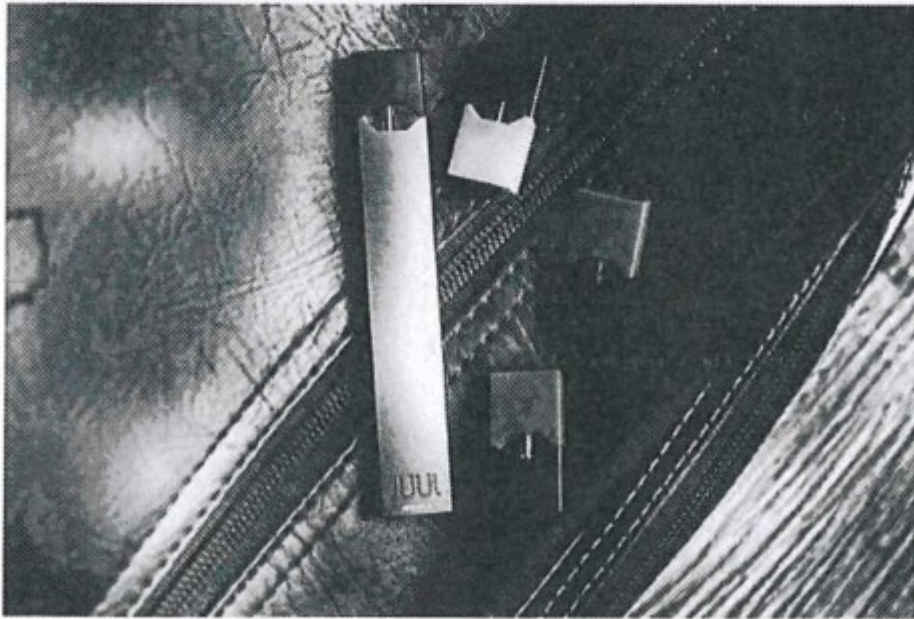
A molecular biologist warns chemicals in plastic can seep into food and lead to major health effects like...

Adam Grant explains why


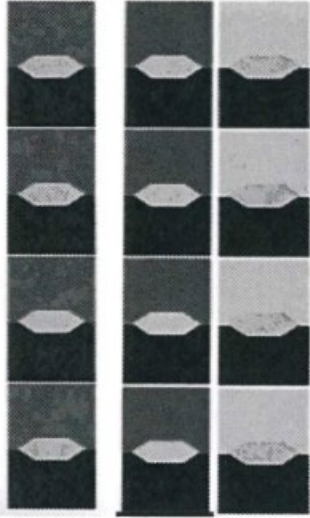


16. Exhibit CS12 comprises a copy of a *Vaping360* article (a US online publication), dated 18 May 2018, updated for 2019. The following image appears on the first page of the article:

JUUL Review: Updated for 2019 after Using the JUUL for Three Years

By Chris Kendell - May 18, 2018



17. Mr Sharp provides the following table for the purpose of comparing the applicant's products against the contested designs:

JUULPODS	The Designs
 <p data-bbox="245 871 464 902">See Exhibit CS10.</p>	 <p data-bbox="815 822 1241 853">UK Registered Design No. 6040892</p>
 <p data-bbox="245 1317 453 1348">See Exhibit CS11</p>	 <p data-bbox="815 1384 1241 1415">UK Registered Design No. 6038752</p>

Decision

18. 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 on the date on which it was filed. Section 11ZA(1)(b) reads:

“(1) The registration of a design may be declared invalid

(a)...

(b) on the ground that it does not fulfil the requirements of sections 1B to 1D of this Act...”

19. 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)”.

20. 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 attacked, unless the exceptions in subsection (6) apply. This means that the relevant dates for my assessment are 6 July 2018 and 7 August 2018.

21. None of the exceptions apply. The registered proprietor has not claimed or filed any evidence to show that it relies on the exceptions contained in Section 1B(6)(b)(c)(d) or (e). As far as section 1B(6)(a) is concerned, the applicant’s evidence

shows that its alleged prior art has been filed as European Trade Mark and Designs registrations before 6 July 2018 and 7 August 2018. The present case is concerned with EU trade mark and design applications (the alleged prior art), which is the very area concerned in the exception under Section 1B(6)(a): the EEA. Furthermore, the applicant's website showed its alleged prior art and it won an award in the San Francisco Design Awards in 2016, before the relevant dates.

22. The US is one of the most important industrialised nations in the world. It would, therefore, be wrong to conclude that the alleged prior art could not reasonably have become known to persons specialising in the relevant sector (vaping) in the EEA. I conclude that all of the applicant's images count as prior art. This means that the registered proprietor cannot rely upon the defence in section 1B(6), even if it had been pleaded, because of the applicant's prior disclosure on the EU trade mark and design registers and its evidence of publicity and use in the US of its prior art.

23. Part of the registered proprietor's defence relies upon the designs being registered first in the UK prior to any other designs:

“We would like to confirm our designs were registered in the UK first before any other designs were put through”.

However, as can be seen from the law which I have set out above, a design cannot be new if it was made available to the public before the relevant date and the exceptions do not apply (which they do not). Being made available to the public means anywhere in the world, not just in the UK. Even if a proprietor was the first to file for a UK design, it would not be new if someone else had made the design public in the UK or elsewhere, whether or not they had applied to register the design. This aspect of the registered proprietor's defence must fail.

24. The registered proprietor states:

“We also believe that our designs are different to the designs provided as you see with the colours being used on the pods for the designs.

Colour has not been claimed as part of the registered designs; quite the opposite as the register explicitly records “No Claim Is Made For The Colour”. Colour is not, therefore, a point of difference between the alleged prior art and the contested registrations.

25. I will focus on whether the contested registered designs had individual character rather than whether they were new: if they did not have individual character at the relevant dates of 6 July 2018 and 7 August 2018, they cannot be new. The relevant case law in this respect was conveniently set out by Birss J. in paragraphs 31 to 59 of his judgment in *Samsung v Apple* [2012] EWHC 1882 (Pat). The parts which are most relevant to these proceedings are reproduced 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, BAILII: [2010] EUECJ 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);

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 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."

26. There is no evidence specifically addressed to the design corpus. Mr Sharp states in his witness statement that the applicant introduced a breakthrough product to the US market in 2015. The evidence from Business Insider, dated 21 November 2017 (Exhibit CS11), says:

"The JUUL, which launched in 2015, looks like no other e-cigarette on the market. The device is shaped like a USB drive with a metallic finish. Users can inhale to activate the heat source, unlike other devices that require users to unscrew a cap and fill a chamber with liquid".

27. The applicant's non-refillable pods which contain vaping liquid fit on to its vaporiser device, as opposed to vaping devices which contain the liquid and require re-filling (according to the 16 July 2017 TechCrunch review, Exhibit CS10). There is no evidence about what other vaporisers looked like, only that as of the date of the TechCrunch article the applicant's product looked like no other vaping device on the market. It is difficult, in the absence of positive evidence showing other vaporisers and pods to make a finding about the design corpus, there being only a single comment from one journalist, with no images.

28. No evidence is provided about whether there are restrictions to design freedom in respect of vaping pods. However, if the rectangular appearance of the applicant's design was completely different to what else was available, then it follows there must be other pod shapes. They could, for example, be cylindrical or cubic.

29. I agree with the applicant's submission that the informed user is a knowledgeable and particularly observant user of ENDS (or vaping) products.

Design registration 6038752

30. I will now compare the applicant's prior art with the contested registrations, beginning with 6038752. The full set of illustrations for design registration 6038752 contains seven images:



31. Images 4 to 7 show the design from a 3D perspective, whereas images 1 to 3 are 2D. Colour has been disclaimed by the registered proprietor, so this is not a feature of the design and I do not need to refer to colour in comparing the contested designs with the prior art.

32. The 2D images comprise a inner rectangle surrounded by a black border. The inner rectangle is bisected with a white, or clear, irregular hexagon. There are two, parallel vertical lines from the top to the bottom of the hexagon, in close proximity. When viewed in the 3D version, it can be seen that these two vertical parallel lines form a tube. There is also a circular notch halfway along the slimmer face in the 3D version. The applicant's comparable prior art consists of the images shown below:

- From the article in Exhibit CS3 about the 2016 San Francisco Design Award:



This image has the same rectangular appearance, with an identical hexagon shape at the same point in the rectangular shape. The hexagon is also bisected vertically, although the vertical component is solid in nature. It is not possible to tell if it is a tube as this is a 2D image.

- From the applicant's website on 2 May 2018:

https://www.juul.com/ Go APR MAY JUN
540 captures 29 Dec 2001 - 20 Feb 2019 02 2017 2018 2019 About this capture

Your Journey Starts Here

With its unique satisfaction profile, simple interface, flavor variety and lack of lingering smell, JUUL stands out as the vapor alternative.

SHOP DEVICES

SHOP PODS

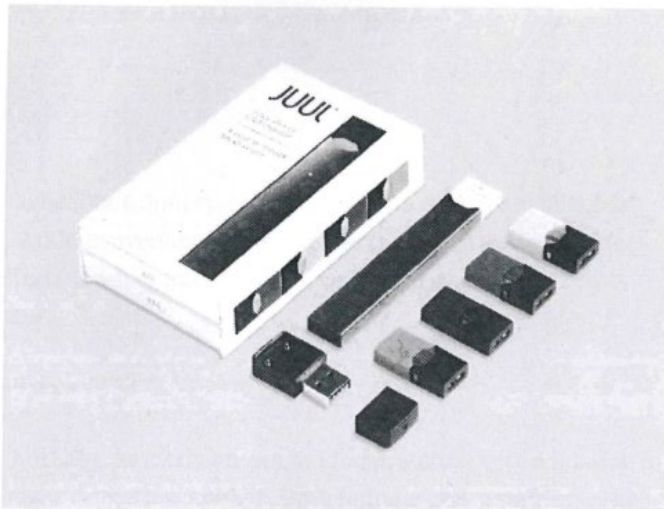
SHOP DEVICES

- From the Business Insider article:

TECH FINANCE POLITICS STRATEGY LIFE ALL

How a startup behind the 'iPhone of vaporizers' reinvented the e-cigarette and generated \$224 million in sales in a year

Melia Robinson Nov. 21, 2017, 1:48 PM



JUUL Labs

- **Juul is the best-selling e-cigarette on the market, with 32% of the market share of the total e-cigarette category, according to Nielsen data.**

VIDEOS YOU MAY LIKE

by Taboola

A molecular biologist warns chemicals in plastic can seep into food and lead to major health effects like...

Adam Grant explains why

33. The pods in both of the above photographic images are shown in 3D. They show the pods to be rectangular, of the same proportions as the contested design, with the same irregular hexagon in the centre of the design. In the image from the applicant's website, there is a notch on the slimmer side of the prior art, just as there is in the 3D image of the contested design. The vertical tube bisecting the hexagon is also visible.

34. The 2D prior art is very similar to the 2D images of the contested design. The only differences are that the vertical lines bisecting the hexagon appear as a solid shape, like a tube, in the prior art; and the 2D images of the contested design are bordered in black. I think this is likely just to be a black background for the purpose of

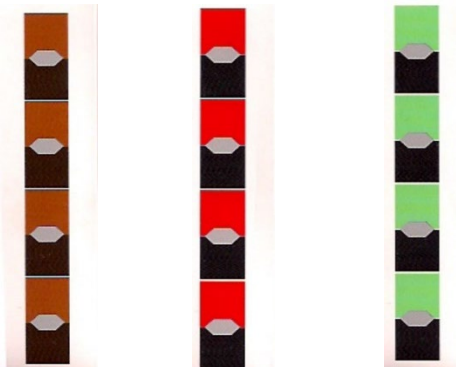
representing the design on the register. If I am wrong about that, this is a difference that is likely to go unnoticed as it looks like a background. I take into consideration that there was more than likely to be at least a reasonable degree of design freedom because there appears to have been more than one way in which vaping pods could look. Putting all this together I conclude that the contested design would create the same overall impression on the informed user.

35. In case I am wrong about that in relation to the 2D images, the position is even stronger with regard to the 3D images; particular the Business Insider image. The notch on the slimmer side, the same rectangular proportions and the vertical tube bisecting the hexagon are the same or, if different, imperceptibly so.

36. I find that design number 6038752 did not have individual character at the relevant date (6 July 2018). The application for invalidation of the registered design succeeds under section 11ZA(1)(b) of the Act.

Design registration 6040892

37. The full set of illustrations for design registration 6040892 contains three images:



38. Colour has been disclaimed by the registered proprietor, so this is not a feature of the design and I do not need to refer to colour in comparing the contested designs with the prior art. As the colour plays no part in the analysis, the three images on the register are the same.

39. The contested design comprises four identical images arranged vertically. Each image corresponds to the 2D design image in the other contested design, 6038752, but the two small vertical lines, or tube, within the central hexagon are not visible.

40. The applicant's comparable prior art consists of the images shown below:



From Exhibit CS11:

This shows, down the side of the box, four identical images arranged vertically. Each image is a rectangle bisected by a hexagon of the same shape as that in the registered design, and without the two small vertical line, or tube, within the hexagon. The same image is shown in Exhibit CS10 on the front of the box:



41. The contested design appears to me to be identical to the prior art. If it is not identical, any differences are so small that the contested design would create the same overall impression on the informed user as the prior art.

42. I find that design number 6040892 did not have individual character at the relevant date (7 August 2018). The application for invalidation of the registered design succeeds under section 11ZA(1)(b) of the Act.

43. Given these clear findings in relation to both contested designs, it is unnecessary to look at the applicant's other ground under Section 11ZA(1A)(b)(ii) of the Act.

Outcome

44. Design registrations 6038752 and 6040892 are invalid.

Costs

45. The applicant has been successful and is entitled to a contribution to its costs, based upon the scale published in Tribunal Practice Notice 2/2016. The costs breakdown is as follows, taking into account the procedural economies of consolidation:

Official fee x 2	£96
Preparing the statement of grounds and considering the counterstatement x 2	£300
Filing evidence	£500
Written submissions	£300
Total	£1196

Cost order

46. I order MFP-Enterprises Ltd to pay JUUL Labs, Inc the sum of **£1196**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of February 2020

Judi Pike
For the Registrar,
The Comptroller-General