



OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
(TRADE MARKS AND DESIGNS)

The Boards of Appeal

DECISION
of the Third Board of Appeal
of 26 March 2010

In Case R 9/2008-3

CROCS, INC.

6273 Monarch Park Place
Niwot, Colorado 80503
United States of America

Design Holder / Appellant

represented by FIELD FISHER WATERHOUSE LLP, 35 Vine Street, EC3N 2AA,
London, United Kingdom

v

HOLEY SOLES HOLDINGS LTD.

1628 West 75 Avenue
Vancouver, British Columbia V6P 6G2
Canada

Invalidity Applicant / Respondent

represented by EISENFÜHR, SPEISER & PARTNER, Martinstr. 24, D-28195,
Bremen, Germany

and

Partenaire Hospitalier International (PHI)

9, rue de la Fontaine Grillée
F-4690 La Haie Foissière
France

Alleged Infringer

represented by Julien Fréneaux, BARDEHLE PAGENBERG DOST ALTENBURG
GEISLER, 10, boulevard Haussmann, F-75009 Paris, France

APPEAL relating to Invalidity Proceedings No 3010 (registered Community design
No 000257001-0001)

THE THIRD BOARD OF APPEAL

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

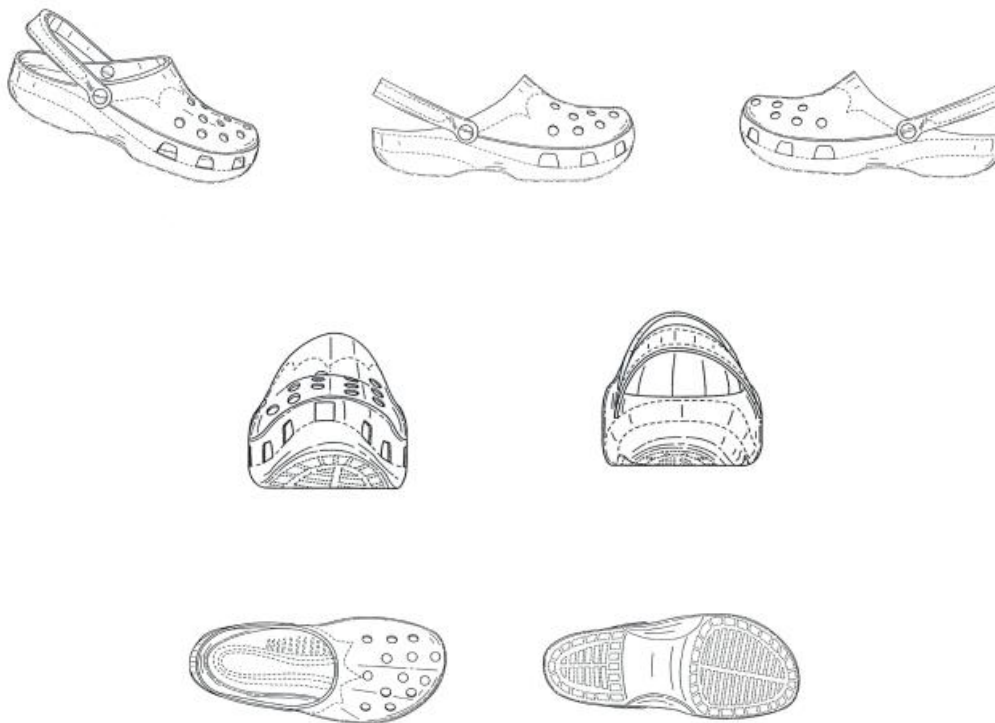
Registrar: J. Pinkowski

gives the following

Decision

Summary of the facts

- 1 By application received on 22 November 2004, claiming the priority of US Design Patent Application No 29/206,427 filed on 28 May 2004, Western Brands LLC sought to register a Community Design whose seven views are represented hereunder



and which is intended to be applied to ‘Footwear’.

- 2 The Community Design was registered under No 000257001-0001 and published in the Bulletin of 8 February 2005. It was later transferred to Crocs, Inc. (hereinafter, the Design Holder or the Holder). The registration was renewed until 2014.
- 3 By application received on 31 July 2006 Holey Soles Holdings Ltd (hereinafter, the Applicant for Invalidity or the Applicant) sought a declaration of invalidity for the Community Design (hereinafter, the Challenged Design) on the grounds that it lacks novelty (within the meaning of Article 5 CDR) as well as individual character (within the meaning of Article 6 CDR) and furthermore displays an element – the heel strap – that is purely functional and cannot be the subject of exclusive rights (Article 8(1) CDR).

- 4 The Design Holder responded to the Applicant on 8 December 2006 through its professional representatives and its own executive officers, namely Lyndon Hanson (Vice President) and Dick Wijsman (Managing Director of the Holder's European subsidiary), who submitted so-called witness statements. The Applicant replied on 16 May 2007 and the Holder submitted a rejoinder on 25 October 2007.
- 5 The claims and the responses submitted, respectively, by the Applicant for Invalidity and the Design Holder in the course of the proceedings before the Invalidity Division are summarised hereafter.

Claims of the Applicant for Invalidity

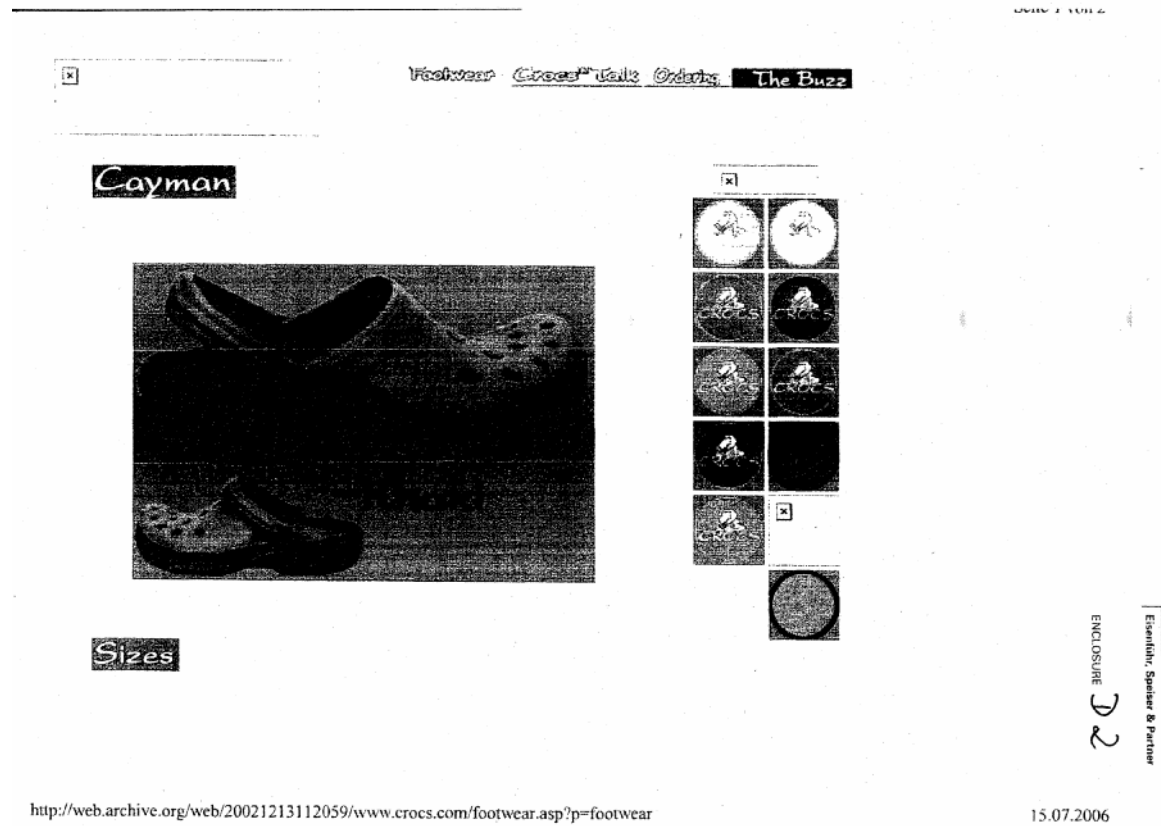
- 6 (a) The Challenged Design originates from a design made by Ettore Battiston in 2000 for a plastic clog having no heel strap (as can be seen from Mr. Battiston's affidavit and technical drawings). Mr. Battiston assigned the copyright in the design to Finproject NA, a Canadian company who started, in 2002, to produce and sell the clog in Canada and the USA. Clients of Finproject NA included the two parties in these proceedings. The Applicant used to resell that clog *tel quel* (that is, with no strap) on the US marketplace under the 'Aquaclog' brand name. The Holder modified the clog in 2002 by adding a heel strap, started to sell it under the 'Crocs' brand name (hereinafter, the 'Crocs' clog), and eventually registered its appearance as a Community Design, which is the Challenged Design here at issue.
- (b) The Holder exhibited the 'Crocs' clog at the Fort Lauderdale International Boat Show (a nautical exhibition in Fort Lauderdale, Florida, USA) between 31 October and 3 November 2002. Since it is the world's biggest event in its category and the shoe industry and trade – i.e. the specialised circles within the meaning of Article 7(1) CDR) – operating in the Community may reasonably have become aware of it, because footwear can be related to boats (example: boat footwear, like plastic clogs), the disclosure of the 'Crocs' clog destroyed the novelty (within the meaning of Article 5 CDR) of the Challenged Design.
- (c) The Holder has been selling the 'Crocs' clog on the market since 2002, a fact, which also destroyed novelty of the Challenged Design.
- (d) A third event that destroyed novelty is the disclosure of the 'Crocs' clog on the Holder's website www.crocs.com, which was accessible to the public well before 28 May 2003 and which is the starting date of the 12-month grace period referred to in Article 7(2) CDR .
- (e) A fourth event that destroyed novelty is the US trade mark application that the Holder filed for the CROCS mark because the Holder, in order to prove use of the mark in commerce, attached a picture featuring a clog according to the Challenged Design (on which the name CROCS was stamped). This application was filed on 22 May 2003, i.e. before the relevant date.

Furthermore, the Holder declared in that application that the CROCS mark was being used since July 2002 for the footwear in question.

- 7 Since all the above events took place before 28 May 2003, the Applicant argues that the Challenged Design's novelty was destroyed.
- 8 The Applicant argues that the Challenged Design also lacks individual character (within the meaning of Article 6 CDR) because it produces the same overall impression as the 'Aquaclog' clog, which could be found on the marketplace since 2002, i.e. much earlier than the relevant date (28 May 2003). The only difference between the two designs is the heel strap: 'Crocs' has one, 'Aquaclog' has not. This difference does not really alter the overall impression because it is a small portion of the footwear and is purely functional (the strap keeps the foot in the clog). For that last reason, this element is, additionally, not subject to exclusive rights under Article 8(1) CDR.
- 9 The Applicant for Invalidity submits the following evidence in support of the above claims:
 - (i) Printouts (hereinafter referred to as D1) of the Holder's website www.crocs.com as accessible on 25 November 2002 (according to a web archive) where the 'Crocs' clog can be seen



- (ii) Printouts (D2) of the Holder's website as accessible on 13 December 2002 (according to the same specialised web archive) showing pictures of 'Crocs' clogs



- (iii) A printout (D3) from the Holder's website where founders of the company say that they 'decided in July 2002 to market' the 'Crocs' clog; that the 'Crocs' clog 'was introduced in November 2002 at the Fort Lauderdale Boat Show'; and that 'by 2003 CROCS had become a bona fide phenomenon, universally accepted';

OUR HISTORY

Page 1 of 2



products company shop community contact us

international sites | search

our history news press releases investor relations careers

our history

buy online
find crocs near you

your stories

"My family just returned from a Christmas vacation trip to Disney World. My wife and I both wore our Crocs and I also took along my running shoes since they have taken me through many miles on the road. First of all, the Crocs were great going through the airport security since they are so easy to slip on and off. But after walking all day through the first part, we were truly AMAZED with how great our feet felt. They are usually tired and achy after walking all day, but not this time. So, we wore them again the 2nd day, and then the 3rd, and ended up wearing them all 5 days of our trip. These shoes are OUTSTANDING!! Super comfortable, lightweight, cool... everything you would want. And they get noticed by others also. Several people asked about our shoes and we were glad to tell them how much we enjoyed wearing them. Thanks for making a great shoe!"

The best way to know where we're going is to see where we've been

It all started in July 2002 when three Boulder, Colorado based founders decided to market an unusual shoe developed and manufactured by Foam Creations, Inc.

Originally intended as a boating/outdoor shoe because of its slip-resistant, non-marking sole, Crocs introduced its first model, the Beach™, in November 2002 at the Ft. Lauderdale Boat Show. From there, popularity mushroomed. Sales poured in. By 2003 Crocs had become a bona-fide phenomenon, universally accepted as an all purpose shoe for comfort and fashion.

From 2003-2004 Crocs focused on accommodating our remarkable growth while maintaining control. We expanded our product line, added warehouses and shipping programs for speedy assembly and delivery, hired a senior management team and acquired Foam Creations. Today, Crocs are available all over the world and on the internet as we continue to significantly expand all aspects of our business.

Despite our rapid success, we still stand behind the core values of Crocs Footwear. We are committed to making a lightweight, comfortable, slip-resistant, fashionable and functional shoe that can be produced quickly and at an affordable price to our customers. We thank you for your support and look forward to providing you with exciting new Crocs designs in the years to come.

<http://www.crocs.com/company/history.jsp>

12/05/2006

ENCLOSURE

Elanor, Spenser & Partner

D3

- (iv) A printout (hereinafter referred to as D4) from the Holder's Internet website, featuring a clog with a heel strap and marked '© 2003', that the Holder filed at the USPTO in support of a trade mark application for the clogs' brand name (CROCS)

20-04-06:16:33 PIZZYS

61732218077

12/ 13

Crocs - Shoes - Get a Grip

Page 1 of 1


[Footwear](#) | [Crocs Talk](#) | [Order](#) | [T](#)


Functional Slip Resistant Footwear with a Casual Feel

MAY 12

©2003

[Just the Crocs](#) | [Why Crocs](#) | [Explosion](#) | [Order](#) | [Dealers](#) | [Contact Us](#) | [Braggadocio](#) | [Rubbing Elbows](#) | [Upcoming Events](#)
<http://www.crocs.com/index.asp>

5/22/2003

Received at the EPO on Apr 20, 2006 08:14:19. Page 12 of 13

- (v) A declaration made by the Holder on 30 April 2003 (in support of its US trade mark application) stating that it is 'using the CROCS mark in commerce as of 1 July 2002 in relation to shoes';
- (vi) Photos (D5) of clogs ('Aquaclog') that the Applicant claims it has been selling in Canada since September 2002



- (vii) Invoices proving that the 'Aquaclog' has been sold in Canada between September and October 2002;
- (viii) Pages (D7) from the Applicant's website www.holeysoles.com dated December 2002, showing various pictures of the clog, without strap

HOLEY SOLES HOME PAGE

Seite 1 von 2

HOLEY SOLES™

HOME

OUR PRODUCT

PHOTO GALLERY

☒ Frequently Asked Questions

ORDER FORM

CONTACT US

Why I Love Holey Soles

I've worn my red pair of Holey Soles for over a year and they are my favorite pair of shoes. They still look brand new.

I wear them to walk my dog when the tide is out. There isn't a better pair of shoes to wear in the low tide. They grip the rock and the sand and the salt water passes right through the holes. Then I just rinse them off under the tap. I wear them when I walk my dog around the block, to take out the garbage, and to run to the corner to mail a letter. I wear them all the time. I wore them every day during the summer.

I've never sold shoes before but I loved these so much that I decided to become a shoe salesperson. They are the lightest clog sold and by far the most comfortable. You'll never take them off! Go ahead - "Walk on Water".

Anne Rosenberg
(proud owner of the first pair of Holey Soles)

HOLEY SOLES

ENCLOSURE
D7
Essential, Spiller & Partner

<http://web.archive.org/web/20021210013932/holeysoles.com/home.html>

20.07.2006

HOLEY SOLES™

(If you click on a shoe you'll get a life-size picture of that particular shoe!)

HOME

OUR PRODUCT

PHOTO GALLERY

☒ Frequently Asked Questions

ORDER FORM

CONTACT US

Try on a pair of **Holey Soles**. You'll feel like you're walking in heaven.

In the low tide, **Holey Soles** grip the sand and the rock while the water moves right through them. After your journey, hose them down or wear them right into the shower. They're the best kayaking shoe around!

Wear your **Holey Soles** when you're walking your canoe into the water. Then throw them into the boat and don't worry if you miss the boat - They float!

String them up through their holes on to your backpack. They won't add any extra weight. They're light and they're rugged. They're easy relief after a day of hiking and so very wonderful to have waiting outside your tent to slip on when you venture outdoors.

Take them to the pool and then wear them to shower off. They're dry in a minute, so you can throw them right into your gym bag.

Holey Soles can be worn in the city too. They've been tested on cement and proven extremely durable. In the summer they breathe because of their creative ventilation. In the fall you can wear contrasting socks

☒ Yellow- Click to see Enlarged

<http://web.archive.org/web/20030217060225/holeysoles.com/product.html>

20.07.2006

with your **Holey Soles**.

Presently **Holey Soles** are available in red, black, white, dark green, dark blue and bright yellow.

They are so inexpensive that you can have a variety of colours. Suggested retail in Canada is under twenty-five dollars

Don't forget your **Holey Soles** when you're travelling. They are the lightest clog on the market, so they won't add any extra weight when you throw them into your suitcase. You'll look for your pair when you're on your way to the hot tub.

Last but not least - they look great!

Selling Points at a Glance

- o Canadian Made
- o Ergonomic Fit
- o Massaging Insole
- o U.V. and Chemical Resistant
- o Fade and Crack Resistant
- o "Rebound" - Unique Closed Cell Foam
- o Durable
- o Form to Feet
- o Breathable Design
- o Light, rugged and waterproof
- o Won't Scuff any Floor

<http://web.archive.org/web/20030217060225/holeysoles.com/product.html>

20.07.2006

- (ix) Pictures of a clog similar to the Challenged Design (but with no strap) under the WALDIES brand name sold by Walden Sports (a US company) on 19 July 2001;
- (x) A page from the Applicant's website, dated November 2002, featuring a clog with no strap

HOLEY SOLES

Holdings

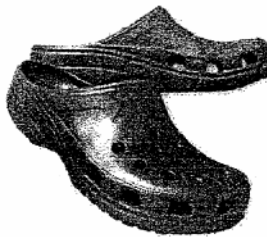
Holiday
WHOLESALE

For family and their friends

Friday, Saturday, and Sunday
November 15th, 16th, and 17th, 2002

From 1 pm - 4 pm
3814 West 33rd Avenue
604-263-5527

<http://www.holeysoles.com>



- (xi) Photos of clogs sold by third parties in 2001.

Response of the Design Holder

- 10 (a) The clog was created in 2000 or 2001 with no heel strap; this clog was made available on the market between 2001 and 2002 as 'Aquaclog'; the Holder modified the clog in June 2002 by adding the strap, thus producing a clog corresponding to the Challenged Design, known on the marketplace as 'Crocs'.
- (b) There have been sales of the 'Crocs' clogs between 2002 and 28 May 2003 (the relevant date) but they were limited in quantity – in the region of 10,000 pairs – and territorially (Florida and Colorado) in order to test the product.
- (c) The 'Crocs' clogs were also tested at the Fort Lauderdale International Boat Show in October 2002 and it was then considered that they could really become a viable business opportunity. At the Show, the clogs were on display in a small stand at the most remote area of the exhibition hall. The

stand ‘was not terribly well attended’ (Mr. Hanson’s witness statement of 7 December 2006, paragraph 7). This disclosure could therefore not reasonably have become known by the relevant circles in the Community. Furthermore, the Show concerns boats, not footwear.

- (d) The ‘Crocs’ clog was displayed on www.crocs.com before 28 May 2003 but at that time the website was ‘unsophisticated’ and virtually impossible to access. It was merely designed to function as an information tool for persons ‘who might have learnt about the clogs from people who had already bought them’ and was not intended to function as a ‘large mail order service’ (see Mr. Hanson’s statement of 7 December 2006, paragraph 10). For this reason, the disclosure of the Challenged Design on the website could not reasonably have become known in the Community. In any case, experience suggests that the Internet is ‘rarely used as a resource in the development of new shoe products’ (see Mr. Wijsman’s statement of 7 December 2006, paragraph 10) and for this reason, too, the website could not reasonably have become known to the footwear industry in the Community. In fact, the Internet would only be looked at to find out what ‘established’ footwear manufacturers (like Adidas or Nike) are doing, but Crocs, Inc. was, at the relevant date, a barely known start up. Since the circles specialised in the sector of shoe design in the Community were unaware of the existence of Crocs on 28 May 2003, they would not have had any reason for looking for the Crocs website: therefore, that website is not something that could have been ‘reasonably become known’ within the meaning of Article 7(1) CDR.
- (e) The US trade mark application is not a damaging disclosure because the USPTO only publishes applications 14 days after they have been filed. The application in question, filed on 22 May 2003, would only have been published later than 28 May 2003.

- 11 As a result, argues the Holder, none of the above events destroyed the novelty of the Challenged Design.
- 12 As regards lack of individual character, the Holder does not dispute that clogs without a strap had been disclosed prior to the relevant date – notably through sales of ‘Aquaclog’ clogs by the Applicant – but maintains that the Challenged Design differs from the ‘Aquaclog’ in that it has a heel strap. The heel strap ‘fundamentally changes the appearance of the clog in such a way as to make it into a new design’: a clog with a heel strap looks like a ‘strappy sandal’ whereas a clog without strap looks like a true clog. The strap is not only functional, but aesthetic as well. The fact that it can be rolled forward – thus losing its function – proves that it is not purely functional. The heel strap does, thus, give the Challenged Design individual character over the earlier (strapless) design. The earlier design, having no strap, does not destroy the individual character of the Challenged Design. Further evidence of individual character is that the ‘Crocs’ clog has sold very well, much better than the strapless clog. This shows that the informed user is able to perceive the individual character of the ‘Crocs’ clog. The principle of commercial success denoting novelty of a product is, concludes the

Holder, well established in patent law and should be taken into consideration in these proceedings.

- 13 By decision of 12 December 2007 (hereinafter, the contested decision) the Invalidity Division declared the Community Design invalid on the ground that earlier designs destroyed its individual character, though not its novelty. The Invalidity Division reasoned as follows:

A. Novelty

- (a) The Challenged Design has various features in common with prior designs D5 and D7 but differs as regard the presence of a strap (no strap in D7); the presence/absence of the strap is not an immaterial detail (Article 5(2) CDR); therefore D5 and D7 do not destroy novelty;
- (b) The Challenged Design has various features in common with prior designs D1 and D4 but differ as regards the presence of holes on the upper part of the clog (no such holes in D1 and D4); the colour, which is not specified in the contested design, appears to be dark in D4 and green in D1; the pattern and texture of the bottom surface of the sole, which is present in the contested design is not disclosed in the earlier designs; these differences are not immaterial details (Article 5(2) CDR); therefore D1 and D4 do not destroy novelty;
- (c) The above means that the invalidity application is not well founded under Article 5 CDR;

B. Individual character

- (a) Because of the strap the Challenged Design produces, on the informed user, a different overall impression than that produced by earlier designs (D5 and D7) that feature no strap; that strap represents ‘quite a significant part’ of the clog;
 - (b) The Challenged Design produces the same overall impression as earlier designs D1 and D4 because the three designs represent the same clog with a strap and the only differences are the presence/absence of holes on the upper side, the design of the sole and colours;
 - (c) Therefore, D1 and D4 destroy the individual character of the Challenged Design.
- 14 The Design Holder filed an appeal on 14 December 2007 and the statement of grounds on 10 April 2008. The Design Holder begins by noting that the contested decision dismissed all disclosures except D1 and D4 and accordingly limits its submissions to these two. The Holder requests that the contested decision be overturned because it was based on the (wrong) assumption that disclosures D1 and D4 could reasonably have become known within the meaning of Article 7(1) CDR. These are the grounds:

- a) Disclosure D1 did not destroy novelty for the following reasons:
 - the website was (on 28 May 2003) unsophisticated, simply designed to inform those who already knew about the clogs, not to function as a sales channel;
 - the Internet is rarely used in the footwear industry as a resource in the development of new shoes;
 - websites which attract visitors are mostly those of ‘established competitors’ and Crocs, Inc. was just a barely known start-up at the relevant date;
 - the website was ‘unlikely to have been indexed’ and would therefore not pop up by searching key words like ‘shoe’, ‘clog’ or ‘footwear’;

In support of these allegations, the Holder submits witness statements by Messrs Berendsen and Romano-Critchley (presented as independent experts on Internet searches) who conclude that, due to the above, it was highly ‘unlikely’ that www.crocs.com would have been found, before 28 May 2003, except by pure chance or if the searcher knew the CROCS brand name.

- b) As regards disclosure D4, the Holder indicates that the trade mark application – and the attached website picture – only became accessible after 28 May 2003 and should not have been cited as a disclosure; the Holder argues that, in any case, the web page could not have become known in the Community for the same reasons explained in respect of D1.

15 By letter dated 26 August 2008 and faxed on the same day (the confirmation copy reached the Office the next day), Partenaire Hospitalier International (hereinafter, the Alleged Infringer) requested permission to be joined as a party to the invalidity proceedings in accordance with Article 54 CDR. The request was reasoned as follows:

- a) The Alleged Infringer is a French company which imports clogs from China, some of which were seized by the French Customs on 26 May 2008 on the ground that they ‘infringed’ the Challenged Design; under French law, seizure amounts to ‘proceedings for infringement’ within the meaning of Article 54 CDR; it follows that the request is admissible;
- b) The Challenged Design is invalid because the features that can be perceived visually – the holes, the strap, the protrusions – have a functional character (Art. 8(1) CDR);
- c) The Design also lacks novelty (Art. 5 CDR) because it is identical to D1 and D4 except for purely functional features (the ‘picots’ inside the clog, which are not even seen during normal use); it is also identical to D7 because the only difference consists of the rear strap, which is functional and an immaterial detail;
- d) The Design lacks individual character (Article 6 CDR) because it produces on the informed user the same overall impression, in spite of the differences listed above, of the earlier designs D1, D4 and D7.

- 16 By a letter dated 3 December 2008 the Applicant for Invalidity argued that the Alleged Infringer's request was inadmissible because customs seizures are not 'infringement proceedings' and the request should have been filed on 14 August 2008 at the latest, i.e. three months after the date (14 May 2008) on which the Alleged Infringer has been notified by the Holder to cease the infringement; finally, the request could only be filed, according to the wording of Article 54 CDR, as long as the proceedings were handled by the Invalidity Division.
- 17 By a second letter of the same date, the Applicant requested the Board to dismiss Holder's appeal as unfounded, because the Challenged Design is invalid. The Applicant supports the reasons mentioned in the contested decision but repeats those brought forward before the Invalidity Division and submits additional reasons and documents (hereinafter, referred to as 'D' followed by a number) in the present appeal proceedings.
- 18 The Applicant agrees with the contested decision that the Challenged Design lacks individual character but disagrees with the finding that the disclosures did not destroy novelty as well. Accordingly, the Applicant disputes the contested decision on that point in accordance with Article 8(3) of the Rules of Procedure of the Boards of Appeal.
- 19 The Applicant argues that, as a result of the 'devolution effect' of appeals, the Board of Appeal must re-examine the whole issue of the validity of the Challenged Design – including its novelty – not merely the specific findings detrimental to the Holder, such as the lack of individual character with respect to earlier disclosures D1 and D4.
- 20 The Applicant argues that the Challenged Design also lacks novelty, pointing out that the Holder admitted that:
 - (a) the website www.crocs.com displaying the Challenged Design was running by January 2003;
 - (b) the first time the 'Crocs' clog was put on public display was during the International Boat Show held in Fort Lauderdale, Florida, USA, from 31 October to 3 November 2002;
 - (c) about 10,000 pairs of 'Crocs' clogs were sold prior to 28 May 2003.
- 21 As regards (a), the Holder's claim that the website was not intended, prior to 28 May 2003, as a sales channel (but merely an information tool) is contradicted by hyperlinks such as 'Order Crocs now', 'Order today by mail'; the Applicant also disputes Mr. Romano-Critchley's statement that the website was unlikely to be indexed by Google (a search engine); the Applicant concludes that the Holder's website could be easily accessed by searching directly 'CROCS' and had in fact been designed for that purpose.

- 22 As regards (b), the Applicant observes that the Holder's allegation that few people visited the stand is contradicted by statements posted on the Holder's website (enclosure D36K); the Applicant indicates that the Fort Lauderdale event is so important (D46) that anything exhibited there would have reasonably come to the knowledge of the relevant business circles in the Community. The Applicant notes that the Challenged Design can be applied to boat footwear and is therefore of interest to circles dealing with footwear in general and boat or beach footwear in particular; since the exhibition took place in USA – an important market – it is most likely that specialised firms from the Community's interested circles have attended it.
- 23 As regards (c), the Applicant notes that 10,000 pairs is a substantial figure and that sales covered Vermont, South Carolina, New York, Georgia, Washington, etc. (D36G), in addition to Florida and Colorado.
- 24 As regards the trade mark application filed in the US on 22 May 2003 for the CROCS name, the Applicant notes that a printout from the Holder's website (D4) was attached to that application as 'proof of use of the mark in commerce'; since that printout reproduces the clog incorporating the Challenged Design, this document proves disclosure of the Challenged Design before the relevant date.
- 25 The Applicant indicates that the clog under the Challenged Design has been exhibited on 2-4 March 2003 at The Shoe Market Of The Americas ('SMOTA'), a footwear exhibition held in Miami, Florida, USA (see Enclosure D57).
- 26 The Applicant advises, then, that the Düsseldorf Community Design Court of First Instance found on 27 December 2007 that the Challenged Design had been disclosed at the Fort Lauderdale International Boat Show in 2002, being a disclosure that would reasonably have become known to the relevant circles (shoe makers) in the Community, and accordingly declared that it lacked novelty (D19);
- 27 The Applicant argues, next, that the Challenged Design is not even entitled to the priority claimed (US Design Patent Application No 29/206,427 filed on 28 May 2004 and granted as a US Design Patent No D517,789, See D25) . The priority claim is invalid because it was based on an application that was not a 'first application' within the meaning of Article 41(4) CDR but a continuation-in-part of a previous application (Patent Application No 10/803,569 filed on 17 March 2004 and granted as US Patent No 7,146,751, see D26), which itself is a continuation-in-part of earlier applications (Patent Applications No 10/602,416 and 10/603,126 filed on 23 June 2003 and granted as US Patent No 6,993,858, see D28). According to the Applicant, a comparison of US Design Patent No D517,789 and US Patent No 6,993,858 proves that the disclosed subject matter is the same invention (corresponding to the challenged clog design), the only difference being that the Design Patent, filed through the continuation-in-part procedure, claims ornamental features of the invention. In these circumstances, the 'first' application was the one, filed on 23 June 2003, which matured into US Patent No 6,993,858. As a result, the Challenged Design is not entitled to the

priority and the twelve-month grace period began on 22 November not 28 May, 2003.

- 28 The Applicant then argues that the Challenged Design has also been made available to the public by parties other than the Applicant or the Holder and submits evidence in this respect.
- 29 The Applicant also contends that the features of appearance of the Challenged Design are solely dictated by technical function, as is shown by the European Patent application No 1,803,364 that the Holder filed on 14 May 2004 (with priority of US provisional patent applications filed on 23 May 2003). All the individual elements of the design that the Holder claims as ornamental have previously been declared by the same Holder as functional in the various patent and design patent applications filed in the USA for the same design.
- 30 The Applicant goes on discussing the contested decision's finding that the Challenged Design does not lack novelty with respect to D1 and D4. The Applicant argues that the Invalidity Division mentioned differences that are either nonexistent or irrelevant, concerning holes on the upper side, colours, pattern of the sole, etc.
- 31 In the Applicant's opinion, the Invalidity Division should therefore have concluded that the Challenged Design presents no difference with respect to the earlier designs D1 and D4 and accordingly lacks novelty within the meaning of Article 5 RCD.
- 32 The Applicant then argues that the Challenged Design also lacks individual character within the meaning of Article 6 RCD because it produces on the informed user the same impression as the earlier designs. The only difference concerns a purely functional element – the heel strap – that may not be the subject of exclusive rights (Article 8 CDR).
- 33 The conclusion, according to the Applicant, is that the Challenged Design does not fulfill the requirements of protection according to Articles 5, 6 and 8 CDR and must be declared invalid.
- 34 By letter dated 5 December 2008 the Holder commented on the Alleged Infringer's request to be party of the proceedings. The Holder advises that the request should be rejected as (i) inadmissible or, subsidiarily, (ii) unfounded. As regards (i) the Holder considers that the request is inadmissible because it should have been submitted no later than three months after the institution of infringement proceedings, i.e. by 26 August 2008. The request arrived at the Office one day later and should be rejected. As regards (ii) the Holder denies that the various parts of the Challenged Design, including the strap, are solely functional.
- 35 By letter dated 4 May 2009 the Alleged Infringer responded to the Holder and Applicant that it is entitled to join as a party and that the Challenged Design is invalid for the reasons indicated in its previous letter.

- 36 By letter dated 17 July 2009 the Holder responded to the Applicant's letter of 3 December 2008. The Holder begins by complaining about the size (83 pages plus 81 exhibits) of the Applicant's reply, which it finds 'manifestly excessive'. It then addresses (in an 85-page document) the Applicant's arguments.
- 37 The Holder argues that the precedents mentioned by the Applicant (such as the rulings made in Düsseldorf) are not relevant because they concerned preliminary injunctions, not invalidity proceedings and were decided on the basis of competition not design law. In addition, the Courts did not conduct detailed examinations and did not have the technical evidence that has been submitted in these proceedings.
- 38 The Holder maintains that its priority claim is legitimate and that the US Design patent from which priority is claimed was a 'first' application; the first application may not be, contrary to the Applicant's opinion, a utility patent and in any case, it is irrelevant that the utility patent disclosed visual features of the clog because what matters, in the context of priority, is whether it protects (rather than merely discloses) these features; the answer is in the negative because utility patents do not protect the aspect of the product but its function.
- 39 The Holder maintains, next, that the disclosures made in its website could not have reasonably become known in the course of business to the Community's relevant circles for the (technical) reasons indicated in previous submissions. Namely, the website www.crocs.com could only have been reasonably found by the relevant circles in the Community before 28 May 2003 if:
- (i) they knew that Crocs existed;
 - (ii) the website could be accessed by link from another one;
 - (iii) the website is accessible by a search engine;

but this could not be the case because (i), the brand name 'Crocs' was unknown to the relevant circles in the Community at the relevant date; (ii), no links existed at that time; (iii), there is 'expert evidence' (statement by Mr. Romano Critchley) suggesting that the website had not been indexed and even if indexed – and traced by search engines – www.crocs.com would have ranked very low on the list of results so as to be unnoticed. The Holder concludes that its website was 'unknown'. As a result, it is not reasonable that circles specialised in the Community would have in the course of business found it and the Applicant's position that a website would be found simply because it is live and has been indexed by a search engine, is a 'fallacy'.

- 40 The Holder repeats, as regards the Fort Lauderdale show in 2002, that it only had a small and remote stand, that it was not listed among the exhibitors and that it is therefore unlikely that many customers have visited this stand, let alone customers belonging to the circles specialised operating within the Community. The Holder adds that this show dealt with boats and yachts, not shoes, and that no footwear company from the Community exhibited there in 2002. Therefore, the

disclosure could not have reasonably become known to specialist circles in the Community and did not destroy novelty.

- 41 The Holder repeats that its US trade mark application No 76,520,746 filed on 22 May 2003 only became public later than 28 May 2003 because applications take 14 days to be published and that in any event, the application would not reasonably have become known to the relevant circles in the Community because these circles do not look at trade mark databases to find designs of shoes.
- 42 The Holder does not dispute that the ‘Aquaclog’ is the Challenged Design less the strap and that sales of ‘Aquaclog’ clogs took place before the relevant date but argues that they do not destroy the validity of the Challenged Design, which has a strap.
- 43 The Holder argues that the heel strap performs ‘occasionally’ a technical function and ‘perpetually’ an aesthetic purpose. The Holder underlines that the strap can be rotated forwards and, in this case, performs no technical function. Therefore, the strap does not fall within the exception of Article 8(1) CDR.
- 44 On 25 March 2010 the Holder forwarded a ruling made by a US court of appeals in relation to US design patents and asked that same be taken into account by the Board in reaching its decision. The Board did not forward the ruling to the other parties to the proceedings and did not request the parties to comment on it.

Reasons

Subject matter of the present proceedings

- 45 As indicated in the Summary of the Facts, the Challenged Design is the subject matter of two proceedings, namely (i) an appeal filed by the Design Holder against the contested decision and (ii) a third party’s request to participate to the invalidation proceedings (Article 54 CDR).
- 46 The third party’s request was received eight months after the contested decision was taken and at a time where appeal proceedings had already commenced.
- 47 The Board shall therefore deal, firstly, with the appeal and, secondly, with the third party’s request.

On the appeal

- 48 The appeal complies with Articles 55, 56 and 57 CDR and 34 CDIR and is admissible. The appeal, however, is not well founded because the Challenged Design lacks novelty and individual character for the reasons that will be indicated hereinafter.

On the scope of the appeal proceedings before the Board

- 49 The Design Holder indicates in its statement of grounds (paragraph 8) that the appeal 'is against the Invalidity Division's decision that the Challenged Design was invalid under Article 6 CDR in light of the alleged prior disclosures of designs shown in D1 and D4'. The Design Holder observes that the Applicant for Invalidity 'did not appeal' the rest of the findings of the contested decision – as regards novelty and individual character of the Challenged Design – and that for this reason it 'need not comment' on them. The Design Holder evidently assumes that the finding that the Challenged Design does not lack novelty is final.
- 50 But since the Applicant objected, in its response to the statement of grounds, to all unfavourable findings made by the Invalidity Division – including that denying lack of novelty – and expressly referred (paragraph 132) to Article 8(3) of the Rules of Procedure of the Boards, these findings may be subject of review by the Board.
- 51 In addition, it is standard case-law of the General Court that the Board has to review the whole matter brought before the first instance (so-called devolution effect), not just the grounds of appeal. It follows that the Board has to re-examine the validity of the Challenged Design on the basis of the arguments and evidence submitted at the lower instance as well.
- 52 The Board will proceed accordingly.

The date (hereinafter 'the relevant date') before which any disclosure destroys the validity of the Challenged Design pursuant to Article 7(2) CDR

- 53 The parties disagree on this date.
- 54 According to Article 7(2) CDR a disclosure does not destroy the validity of the design if it was made by the designer (or its successor in title) within the 12-month period that precedes the date of filing or of priority.
- 55 The Challenged Design was filed on 22 November 2004, claiming a priority of an earlier application filed on 28 May 2004.
- 56 The Holder thus claims that the relevant date is 28 May 2003 (12 months earlier than the priority date). The Applicant questions the correctness of the priority claim and considers that the relevant date is 22 November 2003 (12 months earlier than the Challenged Design's application date).
- 57 For reasons of procedural efficiency, the Board decides not to examine the validity of the priority claim because that would not change the outcome of the case: the Holder admits having disclosed the Challenged Design even before the earlier of the two dates.
- 58 The Board will therefore consider for the purpose of this decision that 28 May 2003 is – as asserted by the Holder – the relevant date for judging the damaging effect of disclosures.

On the novelty of the Challenged Design (Article 5 CDR)

59 The Holder admits that, prior to 28 May 2003:

- (i) It sold around 10,000 pairs of clogs made according to the Challenged Design (i.e., the ‘Crocs’ clogs);
- (ii) It displayed the ‘Crocs’ clogs at an exhibition;
- (iii) It disclosed the ‘Crocs’ clogs on its website;

but argues that these disclosures do not destroy the novelty of the Challenged Design because they ‘could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community’ (Article 7(1) CDR).

60 The Holder’s position that these activities could not ‘reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community’ is not persuasive. Exhibiting a new product at a fair, uploading it on the Internet and selling it on the marketplace – these activities having been furthermore carried out over a period of several months – are precisely the sort of activities that may become known ‘in the course of business’ to anybody active in the same field.

61 In the Board’s opinion, each of the three events destroyed the novelty of the Challenged Design because it was of such nature and extent that it may ‘reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community’.

62 The ‘circles specialised in the sector concerned, operating within the Community’ are represented, in the present context, by footwear designers, footwear industry and footwear trade, who operate in the Community. The ‘sector concerned’ is the one concerned by the Challenged Design, i.e. footwear, and particularly boat or beach footwear or, more generally, leisure footwear. Even though the Holder identified the product as ‘footwear’, not ‘boat footwear’ or ‘beach footwear’ or ‘clogs’, the design represents doubtlessly a boat or leisure clog. The product that the design actually represents has some importance. The General Court has determined, in a recent judgment, that ‘in order to identify the product... one may consider also... the design itself, to the extent that it better informs about the nature, use or function of the product’ (see judgment of 18 March 2010 in Case T-9/07 *Grupo Promer Mon Graphic, SA v OHIM* (‘Metal rappers’) [2010] ECR publication pending, at paragraph 56). The fact that the design represents a boat or a leisure clog may therefore be taken into consideration for the purpose of determining the ‘sector concerned’ and the ‘circles specialised’.

63 The first event is the sale of 10,000 pairs of ‘Crocs’ clogs. To admit having made these sales amounts to evidence of these sales having taken place and to evidence that what have been sold are clogs according to the Challenged Design.

64 The Holder minimises the importance of these sales by comparing them with the considerable size of the US market. Yet this is not the right test. The test is

whether the sales could have reasonably become known to the relevant circles in the Community. And the answer is, in the Board's estimation, in the affirmative. The launch of a new product on the marketplace always attracts attention from the public at large, the press and the business circles. This sort of news circulates instantly and easily in the Internet era.

- 65 In the Board's opinion, four factors make it non plausible that the news about the market launch of the Holder's clog could not reasonably have reached the relevant circles in the Community.
- 66 Firstly, the sheer volume of sales. 10,000 pairs of shoes – equivalent to a turnover of USD 300,000 – by no means represent a symbolic act but a fully-fledged commercial activity. Sales could even be said to have been massive.
- 67 Secondly, shoes are design items, which fashion-conscious people immediately start to wear and proudly show around rather than storing them away far from public sight. It is likely that the 10,000 pairs of clogs have therefore been seen by tens of thousands of people in the US and beyond.
- 68 Thirdly, the commercial success of the new clogs. The Holder itself boasts that the product was extremely successful when it was launched. Clearly, if a new design is commercially successful, competitors are even likelier to pay attention, because of the 'self-promoting' effect of a successful new product.
- 69 Fourthly, the length of time. Sales were not just made hours before the relevant date. The Holder started to sell the clog in summer 2002. This means selling the clog for as many as ten months before the relevant date. Such a long period of time further weakens the claim that the relevant circles in the Community could not reasonably become aware. It is not reasonable to state that the relevant circles could not become aware of commercial activities being carried out during 10 months. Relevant circles, especially in fast moving sectors like footwear, get information quickly. Even if one considered that sales only took off after the Fort Lauderdale Show, that would still mean a whole six months, an eternity in the field of fashion.
- 70 The fact that sales were confined to Florida and Colorado is disputed, with convincing evidence, by the Applicant. But even so territorially circumscribed, sales destroyed novelty; far too many products were sold over a too long period of time for the relevant circles everywhere in the world not to take notice.
- 71 It is also irrelevant that sales were made through small channels, for the same reason.
- 72 The sales made prior to the relevant date are a largely sufficient reason to declare the invalidity of the Challenged Design for lack of novelty. The Board will nevertheless, for sake of completeness, consider the second event, i.e. the exhibition of the 'Crocs' clog at the Fort Lauderdale International Boat Show in October/November 2002.

- 73 The Holder minimises the disclosure effect of the Fort Lauderdale Show on the ground that the Crocs stand was small, remote and 'not terribly well attended'. The Holder adds that Crocs was not even listed as exhibitor in the Show's programme.
- 74 The Holder was much more positive about the Show at the time, when it posted on its website the following comment: 'The Crocs debut at the Fort Lauderdale Boast Show was a smashing success' (see enclosure D36K submitted by the Applicant). It seems that even though the stand was poorly attended, it had much success.
- 75 The Holder also declared before a German Court that as many as 1,000 Crocs clogs were sold during the three or four days of the Show, which is quite substantial, considering that visitors had trouble finding the small and remote stand.
- 76 The fact that Crocs did not appear on the list of exhibitors at the Show may be due to many reasons and is not necessarily indicative. The stand was there, under the CROCS brand name, was visited and, crucially, the Crocs clogs were displayed, seen and purchased.
- 77 In its witness statement dated 7 December 2006, at paragraph 9, Mr. Hanson says 'at the end of 2002 we considered that there was the possibility of making the Crocs clogs into a viable business'. What Mr. Hanson evidently suggests is that the presence of the Crocs clogs at the Show did not go unnoticed and the Show proved to be a positive test.
- 78 The Holder also argues that the subject of the Show were boats, not footwear, and that for this reason, the disclosure of the Crocs clogs could not reasonably have become known to the relevant circles in the Community. The Board disagrees. Boat shows do not exhibit only yachts, but anything related, by and large, to boats, such as nautical equipment, engines, electronics, fishing gear and, of course, boat clothing and boat footwear. Boat shows thus attracts visitors and exhibitors interested in boat-related products and accessories. This is confirmed by the Applicant's evidence: enclosure D48 is a list of exhibitors at the Fort Lauderdale International Boat Show, which includes footwear industries.
- 79 Of course, the Holder had a special reason to exhibit the Crocs clogs for the first time at a boat show rather than a footwear show. The clogs were primarily designed for wearing on boats. This is how they are presented in the Holder's website: 'Crocs are a perfect shoe for boating', 'Crocs are slip resistant and will not mark boat decks', 'Hop on a boat...Crocs are the most comfortable shoes you'll ever own' (see enclosure D36B submitted by the Applicant). The presence of plastic clogs at a boat show was therefore perfectly consistent with the subject matter of the event.
- 80 Since boat shows are of interest, *inter alia*, to the footwear industry and trade – at least those involved in boating footwear – the Board concludes that the disclosure

of the Challenged Design made at the Fort Lauderdale Show in 2002 may reasonably have become known to the relevant circles in the Community.

- 81 Two additional factors make this even more plausible. Firstly, the Show is one of the biggest events of its category in the world and must have had, if only for this very reason, a large resonance across the world. Secondly, the Show took place almost seven months before the grace period commenced, thus allowing those members of the relevant circles, who might not have had direct information on the Show at that time, to become aware thereof at a later date, e.g. through press reports, news flashes, etc.
- 82 The disclosure of the ‘Crocs’ clogs at the Fort Lauderdale Boat Show could therefore reasonably have become known to the relevant circles in the Community. This event, too, is sufficient to destroy the novelty of the Challenged Design.
- 83 For the sake of completeness, the Board will nevertheless examine the third form of disclosure of the Design: on the Holder’s website.
- 84 The Holder accepts that clogs according to the Challenged Design have featured on www.crocs.com well before the relevant date (28 May 2003) but argues that for a number of reasons this website was unlikely to have been found by the relevant circles in the Community and that the disclosure did not destroy novelty.
- 85 One reason that is given is that the Internet is, according to Mr. Wijsman’s experience, ‘rarely used as a resource in the development of new shoe products’ (see the witness statement dated 7 December 2006, paragraph 10). Not much value can be given to a statement that appears to defy common sense and conventional wisdom. The Internet is – and already was back on 28 May 2003 – a formidable information tool and was certainly used by designers in footwear as well as in any other field.
- 86 Mr. Wijsman somewhat mitigates that surprising statement by saying that the Internet would only be used to look at what ‘established’ firms (such as Adidas or Nike) are doing – something that Crocs, Inc. was not, at the relevant date. The Board seriously doubts that the Internet was so under-used back then but points out that on the relevant date Crocs was well established. 10,000 pairs of clogs, under the CROCS brand name, had already been sold. The clog had been exhibited several months before at the world’s biggest nautical exhibition, again under the CROCS name. According to the Holder’s own declaration to the USPTO (in support of its trade mark application), the CROCS name had been in use since at least 1 July 2002, i.e. ten months before the relevant date.
- 87 Crocs, Inc, in other words, had gone a long way from being an obscure start up and an unknown brand. By the 28 May 2003, the CROCS mark was known as the brand name of the clogs and by just typing ‘CROCS’ in a search engine would have returned www.crocs.com.

- 88 The Holder argues that the website was, on 28 May 2003, ‘unsophisticated’ and not designed for commercial operations. Both statements are contradicted by the contents of that website, according to the evidence (enclosures D1, D2, D3 and D4) submitted by the Applicant.
- 89 These documents represent screen shots of what evidently appears to be an active website. ‘Crocs’ clogs are described in full detail and represented in colours. There is nothing to suggest that the website was not active: no such usual sentences like ‘website under construction’ or ‘visit us soon’ can be seen. The website was live by 28 May 2003.
- 90 And even more to the point, the website was configured to function – already at that date - as a sales channel. Any visitor could choose colour and size and eventually order the clogs by clicking on ‘Order Crocs Now’. The Board considers that a website which, before the relevant date, featured products made according to the Challenged Design and which could be ordered online, manifestly amounts to a disclosure that destroys novelty.
- 91 The Holder’s position that the website was designed to be accessed only by people who had already seen the clogs at the Boat Show cannot be followed. A website can be accessed by anybody, anywhere. There is nothing in the website’s design that shows that only those having previously seen the clogs were the targeted audience. www.crocs.com was evidently designed to attract customers different from those who attended the Show.
- 92 The Board concludes that the disclosure of the Challenged Design on the Holder’s website prior to 28 May 2003 destroyed the novelty of that Design.
- 93 The Board concludes that the three events whereby the Holder self-disclosed the Design could reasonably have become known to the relevant circles in the Community and that they have, each of them, destroyed the novelty of the Design.
- 94 It is not necessary to examine the fourth disclosure, made by filing the US trade mark application.
- 95 The three disclosures that have been examined are largely sufficient, even considered individually, to support the invalidity of the Challenged Design on account of lack of novelty.
- 96 However, for the sake of completeness, the Board has examined the other ground of invalidity – lack of individual character – and observes that it is also applicable, for the reasons stated hereinafter.

On the lack of individual character

- 97 The Applicant claims, in essence, that the Challenged Design lacks individual character because a design producing the ‘same overall impression’ (Article 6

RDC) had already been disclosed on the relevant date (28 May 2003). This design is known as the ‘Aquaclog’ (see D5).

- 98 The Holder accepts that the ‘Aquaclog’ has been disclosed prior to the relevant date.
- 99 The Holder also accepts that the only difference between the ‘Crocs’ clog and the ‘Aquaclog’ is that the ‘Crocs’ has a heel strap and the ‘Aquaclog’ has not.
- 100 The Applicant argues that the simple addition of the strap is not sufficient to give the ‘Crocs’ design individual character. The Holder’s position is, on the contrary, that by adding the strap to the ‘Aquaclog’ it has created a design having individual character.
- 101 In the Board’s opinion, the presence/absence of the heel strap does not alter the overall impression made on the informed user – a reasonably informed buyer and wearer of leisure footwear such as clogs – by the two designs, which remains the same.
- 102 The heel strap is a feature that the Holder added to the earlier version of the clog. Even though the strap has thus become an element of the design of the clog, it is a relatively marginal one, in the sense that the clog – with or without the strap – produces on the informed user the same overall impression.
- 103 The informed user will perceive the strap for what it clearly is: an accessory whose only ‘raison d’être’ is to keep the foot firmly inside the clog. This is an especially desirable feature when the clog is wet inside and can be slippery. The accessory character of the strap is well demonstrated by the fact that it is not a fixed element but one that can be, so to say, neutralised or deactivated by rolling it forward. The heel strap is, in fact, an optional accessory – i.e. something that anybody wearing the clog may decide to use or not – and may hardly be qualified as ‘a significant part of the design’ (so the contested decision).
- 104 Of course, the accessory or optional character of the heel strap is due to its functional character.
- 105 The Board does not understand the Holder’s claim that since the strap can be rolled forward, it is not functional. The strap may have two positions: when rolled down to the heel, it keeps the foot in place and therefore performs a technical function. When rolled forward, it becomes redundant i.e. performs no function. The fact that the strap has been designed so that it can be, at the wearer’s choice, put to use or not is evidence of its functional character.
- 106 A corollary of the above is that the Holder’s claim that the strap is an important aesthetic feature is unfounded. If this was true, the strap would have been designed as a fixed element of the clog, so as to be permanently visible. Again, the strap’s mobility confirms its purely functional character. Moreover, there is nothing in the design of the strap that would attract the attention.

107 In the Board's opinion, since the two product designs only differ by an element that can be made to become redundant – thus proving its accessory and functional nature – they produce on the informed user the same overall impression. The overall impression will be influenced by the rest of the parts of the clog, which are all fixed, and whose aspect is identical.

108 It follows that the Challenged Design is also invalid for lack of individual character.

109 In view of the above, it is not necessary to investigate the Applicant's remaining arguments as regards lack of novelty and individual character and to examine the grounds of invalidity based on Article 8(1) CDR.

On the third party's request pursuant to Article 54 CDR

110 Article 54(1) CDR states that a third party allegedly infringing the contested design may apply to become a party to on-going invalidity proceedings 'as long as no final decision has been taken (on the invalidity) by the Office'. In the present case, a decision has been already taken by the Office and appealed but, due to the suspensive effect of appeals pursuant to Article 55(1) CDR, cannot be deemed 'final'. As a result, the request may not be dismissed on the ground that the Invalidity Division had already terminated the proceedings.

111 The Board shall accordingly examine if it is admissible.

112 The request complies with Article 52(2) CDR as well as Articles 28, 29 and 30 CDR. The parties to the appeal proceedings – Design Holder and Applicant for invalidity – ask that the request be rejected on the grounds that (i) no proceedings for infringement have been initiated and (ii) the request was out of time.

113 Both grounds are, in the Board's opinion, unfounded. The third party has satisfactorily established that the seizure of allegedly counterfeiting clogs is a preliminary step to a formal judicial indictment. This should be deemed sufficient for Article 54 CDR to become applicable. Article 54 CDR merely mentions the notion of 'Proceedings for infringement' but does not require that they are judicial in nature. Therefore, customs seizures, which are administrative in nature, but are aimed at securing evidence of the alleged infringement – evidence that will be relied on in a subsequent court action – should be considered included in the notion. The Board considers that nothing is gained by interpreting 'proceedings for infringement' too narrowly, in view of the purpose of Article 54 CDR, which is to enable a party who is being accused of infringement to defend itself.

114 The request was also timely. It arrived by fax at the Office on 26 August 2008, i.e. within the required three-month period after the customs seizure was notified (26 May 2008).

115 The Alleged Infringer's request is therefore admissible and is hereby treated, in accordance with Article 54(2) as a second application for a declaration of invalidity of the Challenged Design.

116 Since the purpose sought by the third party – i.e. a declaration that the Challenged Design is invalid – has already been achieved on the basis of the other application for a declaration of invalidity, the Board considers that obvious reasons of procedural efficiency make unnecessary to rule on the third party's application.

On the ruling of the US Court of Appeals

117 By letter dated 25 March 2010, the Holder forwarded a new document. The document is a ruling issued on 24 February 2010 by the United States Court of Appeals for the Federal Circuit. The ruling determines that two US design patents held by the Holder on subject matter identical to that covered by the Challenged Design are valid. The Holder requests the Board to take this ruling into account in reaching its decision.

118 In the Board's opinion, the new document may be taken into account but is manifestly irrelevant for the purpose of the current proceedings. This explains why it has not been communicated to the other parties and why these parties were not invited to comment on it.

119 The subject matter of the proceedings before this Board is the Challenged Design, which is a Community Registered design. The Challenged Design has been found invalid for several reasons.

120 The Holder does not explain how these reasons could be put into question by a ruling made in respect of a design patent issued under another jurisdiction.

121 The Board concludes that the ruling has no bearing whatsoever on the findings already made and dismisses, for this reason, the new evidence as irrelevant.

Costs

122 The Design Holder, having lost the appeal, shall be ordered to bear the Applicant's costs (Article 70(1) CDR) in these proceedings.

123 Since the third party's application has not been dealt with on its merits, the Board decides each party shall bear its own costs of the corresponding proceedings (Article 70(4) CDR).

Order

On those grounds,

THE BOARD

hereby:

- 1. Rejects the appeal;**
- 2. Declares that the Registered Community Design is invalid for lack of novelty and lack of individual character;**
- 3. Declares that there is no need to rule on the merits of the third party's application for a declaration of invalidity;**
- 4. Orders the Design Holder to bear the Applicant's costs of the appeal proceedings;**
- 5. Orders that the costs arising from the third party's application be borne by the parties themselves.**

Th. Margellos

C. Rusconi

D. T. Keeling

Registrar:

J. Pinkowski