CHAPTER TWO

INDUSTRIAL DESIGNS

I. INTRODUCTION

Artistic works, including drawings and designs, are protected under copyright law in the same manner as other works. However, certain types of artistic works are commonly used in industrial contexts, where protection of the same level and duration as is available under copyright law might stifle innovation. The federal *Industrial Design Act*, RSC 1985, c I-9 provides a different route for protecting designs for mass-produced articles. The protection of industrial designs is provided for in art 5 *quinquies* of the *Paris Convention for the Protection of Industrial Property*, 20 March 1883, as amended on 28 September 1979 (entered into force 3 June 1984), which states simply that "[i]ndustrial designs shall be protected in all the countries of the Union." *The Agreement on Trade-Related Aspects of Intellectual Property Rights*, Annex 1C of the *Marrakesh Agreement Establishing the World Trade Organization*, 15 April 1994 (as amended on 23 January 2017), 1869 UNTS 299, 33 ILM 1197 (entered into force 23 January 2017) [TRIPS] is somewhat more expansive, setting parameters for industrial design protection in arts 25 and 26.

In 2014 and 2015, a number of amendments were made to the *Industrial Design Act* in the omnibus *Economic Action Plan 2014 Act, No 2*, SC 2014, c 39 and the *Economic Action Plan 2015 Act, No 1*, SC 2015, c 36. The principal goal of these amendments was to enable Canada to become a party to the Hague System for the International Registration of Industrial Designs as established under the *Geneva Act (1999)* (*Geneva Act of the Hague Agreement* [of 6 November 1925] *Concerning the International Registration of Industrial Designs*, Geneva, 2 July 1999 (entered into force 23 December 2003)). These amendments took effect on November 5, 2018, when the new *Industrial Design Regulations*, SOR/2018-120, were enacted. At the same time, Canada became part of the international system that facilitates the protection of industrial designs in multiple countries or regions via a single application through the International Bureau established by the World Intellectual Property Organization (WIPO). The Hague System is designed to reduce the formalities and expense of registering designs in multiple jurisdictions. While most of the amendments have not changed the substance of industrial design protection in Canada, they have resulted in a

simplification and clarification of some parts of the process for obtaining a design registration, with a view to achieving harmonization with the Hague System.

The *Copyright Act*, RSC 1985, c C-42 reconciles the operation of copyright law with the law of industrial designs. This is necessary because many designs would otherwise qualify as both industrial designs and "artistic works" within the meaning of the *Copyright Act*. As seen in Chapter 1, Copyright, s 64(2) of the *Copyright Act* provides that where artistic works are applied to a useful article and the article is reproduced in quantities over 50, it is no longer an infringement of copyright for anyone to make the article in question or "to do with an article, drawing or reproduction … anything that the owner of the copyright has the sole right to do with the design or artistic work in which the copyright subsists." Of course, there are numerous exceptions to this general rule. These are found in s 64(3) and include the following:

> 64(3) …
>
> (a) a graphic or photographic representation that is applied to the face of an article;
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> (b) a trademark or a representation thereof or a label;
>
> (c) material that has a woven or knitted pattern or that is suitable for piece goods or surface coverings or for making wearing apparel;
>
> (d) an architectural work that is a building or a model of a building;
>
> (e) a representation of a real or fictitious being, event or place that is applied to an article as a feature of shape, configuration, pattern or ornament;
>
> (f) articles that are sold as a set, unless more than fifty sets are made; or
>
> (g) such other work or article as may be prescribed by regulation.

Thus, for example, a trademark logo continues to be protected under copyright law notwithstanding the fact that it may be applied to a useful article of which more than 50 copies are made. For those artistic works that do not fall within the list of exceptions in s 64(3), copyright protection is not available when the work is applied to a useful article and produced in quantities greater than 50. In such cases, a party seeking intellectual property protection will need to look to the *Industrial Design Act*.

Industrial design protection is different from copyright protection in a number of significant respects. One important difference is that protection does not arise automatically. Rather, it is available only for designs that have been registered under the *Industrial Design Act*.

Another difference with copyright law is the term of protection for industrial designs. Prior to the coming into effect of the amendments to the *Industrial Design Act* in 2018, an industrial design was protected for a term of ten years (s 10). In order to gain the full benefit of this term, a party was required to pay maintenance fees in the prescribed amount within five years of the date on which the design was registered. Since the coming into effect of the amendments in 2018, new s 10(1) provides for a term of protection that is the later of 10 years from the date of registration and 15 years from the filing date of the application. Maintenance fees are required to maintain the registration of the design for the full period. If the fees are not paid, or once the term of protection expires, the design is in the public domain.

Do you agree that industrial design protection should be available only for designs that have been registered under the *Industrial Design Act*? What benefits flow from requiring registration as a condition of protection? What are the disadvantages? Do you think that the term of protection for industrial designs under the *Industrial Design Act* is sufficient? Is it excessive? On what considerations do your answers depend?

II. SUBJECT MATTER OF INDUSTRIAL DESIGNS

Industrial design protection is available for "designs," which the *Industrial Design Act* defines in s 2:

> *design* or *industrial design* means features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye.

Examples might include the shape or configuration of a sofa or the decoration on the handle of a piece of cutlery. Indeed, a vast array of everyday items—from coffee travel mugs to furniture and from pens to cars—has aesthetic features that can be the subject matter of industrial design registration. In January 2017, the Canadian Intellectual Property Office (CIPO) announced that it would start to "consider computer-generated animated designs as one design" rather than continuing to follow the previous practice of "examin[ing] the different states of computer-generated animated designs as either distinct designs or variants." The objective of this change was to "[r]ecognize that a computer-generated animated industrial design is registrable subject matter" (see online: *Government of Canada* <https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04187.html?Open=1&wbdisable=true>). Consider, for example, Industrial Design Registration #178521 in the industrial design database. (The register of industrial designs is made available online by CIPO. Visit the Canadian Industrial Designs Database at <http://www.cipo.ic.gc.ca/app/opic-cipo/id/bscSrch.do?lang=eng> to get a sense of the range of subject matter protected under this legislation.)

In the same practice notice, CIPO indicated that colour is also capable of forming "part of a combination of features that constitute a design." Colour on its own will not qualify as a design under the Act.

Protection under the *Industrial Design Act* is only for the *visual* characteristics of an article. Industrial design protection does not protect the functional or utilitarian features of the article. Section 7(d) of the Act provides that a design is registrable if it "does not consist only of features that are dictated solely by a utilitarian function of the finished article." Section 11.1, which took effect in 2018, articulates the doctrine of functionality in much the same way that its predecessor, s 5.1, did. It provides:

> 11.1 No protection afforded by this Act shall extend to features applied to a useful article that are dictated solely by a utilitarian function of the article or to any method or principle of manufacture or construction.

Note that the functionality doctrine excludes protection only for those characteristics that result *solely* from the functional aspects of a utilitarian object. In *Zero Spill Systems (Int'l) Inc v Heide*, 2015 FCA 115, leave to appeal to SCC refused, 2016 CanLII 941, the Federal Court of Appeal interpreted the doctrine of functionality as set out in s 5.1. Although the trial judge had ruled that all the characteristics of a design with functional features were excluded from protection under the *Industrial Design Act*, the Federal Court of Appeal disagreed, stating:

> [23] The Federal Court's interpretation runs counter to both the ordinary meaning of paragraph 5.1(a) and the purpose of the *Industrial Design Act*. Properly understood, only features of an industrial design whose form are dictated solely by function are excluded from protection by paragraph 5.1(a).
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> [24] Looking first at the ordinary meaning of paragraph 5.1(a), functional features of an industrial design may be protected by the *Industrial Design Act*. Paragraph 5.1(a) states that features "applied to a useful article that are dictated *solely* by a utilitarian function of the article [my emphasis]" are ineligible for protection. Features may be simultaneously useful and visually appealing. In such a case, on its face, paragraph 5.1(a) cannot apply.
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> [25] Moreover, the very purpose of the *Industrial Design Act* is to provide residual protection for functional designs that would, but for section 64 of the *Copyright Act*, R.S.C. 1985, c. C-42, be subject to copyright protection: Roger T. Hughes and Susan J. Peacock, *Hughes on Copyright and Industrial Design*, loose-leaf (consulted on April 7, 2015), 2d ed. (Markham, ON: LexisNexis, 2005) at §152; Roger T. Hughes, *Copyright Legislation & Commentary*, 2015 ed. (Markham ON: LexisNexis, 2015) at pages 360-61.

> [26] Under subsection 64(2) of the *Copyright Act*, an article is exempt from copyright protection if two conditions are met. First, there must have been more than 50 copies of the article lawfully made. Second, the article must be functional. The *Industrial Design Act* would serve no purpose if it did not protect functional features.
>
> [27] Together, the plain text of paragraph 5.1(a) and the purpose underlying the *Industrial Design Act* confirm that functional features of designs may be protected under the Act. Only those features whose form are dictated *solely* by function are not protected.

To apply the doctrine of functionality in the case of cutlery, for example, industrial design protection would be available for the design applied to the cutlery (the design could include a pattern or motif on the handle, but it might also include the shape of the item itself). However, the registrant would not thereby acquire any monopoly over the functional aspects of the utensil. In cases where the utilitarian function of an article cannot be separated from the design, industrial design protection will not be available. As stated by the Federal Court in *Mainetti SPA v ERA Display Co* (1984), 80 CPR (2d) 206 (FC):

> If the primary purpose served by the article in question is one of function the decorative ornamentation being merely incidental, the article should be patented under the *Patent Act* [RSC 1985, c P-4], if it is patentable, rather than seeking an Industrial Design registration for it.

As noted above, industrial design protection is available for features that "appeal to and are judged solely by the eye" (s 2). It, thus, follows that features not readily visible to consumers do not qualify for industrial design protection. This was the result in *Mainetti*, above. In that case, the design in question was applied to hangers used to display merchandise in clothing stores. Because the clothing on the hangers would obscure the design, the designs were found not to have the necessary visual appeal. In the words of Walsh J:

> The facts of the present case are unusual in that the hangers are not only not sold to the general public, but they are not even visible until removed from the skirt which is hung on them. They are then either thrown away by the vendor or, if given to the purchaser with the garment, they are first seen by the purchaser at the time when the garment is removed from them. All the ornamentation and design on the ends of the hangers is hidden under the skirts until they are removed with only the top of the clip on each end showing, and of course the centre hook. The arms of the hanger and the designs on the ends of the arms leading to the hooks remain hidden under the skirt when it is hung on them and it is the function of the design and the spring which the arms provide which holds the skirt out flat for better display free of sagging and wrinkles. It is reasonable to conclude that not even the dress manufacturers themselves who buy these hangers to display and sell the skirts on them have any but the slightest interest in the ornamental design at the ends of the arms. There is a clear distinction to be made, therefore, between ornamental design applied to such hangers and designs applied to objects such as chairs, water pitchers, teapots, and perhaps even tent pegs which are visible in use, the artistic design of which may appeal to a purchaser quite aside from the useful function which they serve.
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> I find therefore that both designs are primarily functional and that a hanger of this sort where the more significant design features are hidden and which is not intended to be admired by or sold to the public at large in any event should not have been subject to Industrial Design registration and should be expunged from the Register pursuant to section 22(1) of the *Industrial Design Act*.

It follows as well that other non-visual features such as sound, smell, or taste would similarly be incapable of being protected under the *Industrial Design Act*.

The shape of a bottle or other container is something that is capable of industrial design protection; however, once again, the protection does not extend to the functional features of the container. The shape of a container may also be protectable under trademark law.

Indeed, the monopoly available through industrial design protection can allow for the shape or configuration of packaging to acquire distinctiveness within the marketplace because the industrial design owner can prevent others from making use of the design even before it has acquired distinctiveness. As a result, the exclusive use of a shape or configuration protected under the *Industrial Design Act* might allow it to eventually acquire the distinctiveness necessary for protection as a three-dimensional trademark. As will be seen in Chapter 4 of this book, such protection could continue long after the expiration of the industrial design registration. The Federal Court has held that there is no conflict in this respect between the two regimes: see *WCC Containers Sales Ltd v Haul-All Equipment Ltd*, 2003 FC 962. Can you think of any examples of protected industrial designs that have acquired distinctiveness, thus potentially allowing them to be protected as three-dimensional trademarks under trademark law even after the industrial design protection has expired?

The shape or configuration of articles can be an important competitive element in their marketing. This is certainly the case in the electronics industry. The shape and configuration of, for example, smartphones, tablet computers, and other personal electronic devices are part of a high-stakes intellectual property battleground. In this rapidly evolving area, industrial design protection can be used as a shield to allow a product's configuration to acquire the distinctiveness necessary to be protected as a three-dimensional trademark.

Do you agree that industrial design law should protect only the visual and not the functional or utilitarian features of an article? Why or why not? Consider why industrial design protection might be limited to features that "appeal to and are judged solely by the eye" (*Industrial Design Act*, s 2). Should protection be limited in such a manner?

III. NOVELTY

Industrial design protection is available only for designs that are novel (s 7(b)). Novelty is determined according to the principles set out in s 8.2 of the *Industrial Design Act*:

> 8.2(1) A design in an application for the registration of a design is novel if the same design, or a design not differing substantially from it, applied to a finished article that is the same as or analogous to the finished article in respect of which the design is to be registered,
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> (a) has not been disclosed, more than 12 months before the priority date of the design in the application, in such a manner that it became available to the public in Canada or elsewhere, by
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> (i) the person who filed the application,
>
> (ii) that person's predecessor in title, or
>
> (iii) a person who obtained knowledge of the design in the application, directly or indirectly, from the person who filed the application or their predecessor in title;
>
> (b) has not been disclosed by any other person, before the priority date referred to in paragraph (a), in such a manner that it became available to the public in Canada or elsewhere; and
>
> (c) subject to the regulations, has not been disclosed in an application filed in Canada for the registration of a design whose priority date is before the priority date referred to in paragraph (a).

Prior to the coming into effect of the amendments to the *Industrial Design Act* in 2018, the standard applied in order to register an industrial design was originality and not novelty. An original design was one that was not "identical with or does not so closely resemble any other design already registered as to be confounded therewith" (former s 6). As part of the new harmonized approach to industrial design, the new standard is "novelty." As can be seen from s 8.2(1), in order to meet this novelty standard, a design must not be "the same design,

or a design not differing substantially from it, applied to a finished article that is the same as or analogous to the finished article" for which the design in to be registered.

Case law relying on the previous concept of originality provided that to be considered original, a design must have been different from other preceding designs and it must have originated with the designer—that is, it must not have been copied. This was already closer to the novelty standard in patent law than to the standard of originality in copyright law. According to the Supreme Court of Canada in *Clatworthy & Son Ltd v Dale Display Fixtures Ltd*, [1929] SCR 429, 1929 CanLII 82:

> It must be remembered, however, that to constitute an original design there must be some substantial difference between the new design and what had theretofore existed. A slight change of outline or configuration, or an unsubstantial variation is not sufficient to enable the author to obtain registration. If it were, the benefits which the Act was intended to secure would be to a great extent lost and industry would be hampered, if not indeed paralyzed.

Given that s 8.2 now refers to a design "not differing substantially" from an earlier design as one lacking in novelty, it may well be that the jurisprudence on the "originality" of industrial designs will continue to have application.

As part of the novelty assessment, the law sets out some rules with respect to the timing of any "publication" by the owner or by others of the subject matter of the design. According to s 8.2, the design must be novel in comparison to any designs disclosed by any other person before the priority date for the application, or disclosed in an application filed in Canada with a priority date that is earlier than the one for the design whose novelty is being considered. There is a grace period of one year for any disclosures of the design for which registration is sought by the applicant for registration, their predecessor in title, or anyone who obtained knowledge of the design directly or indirectly from the applicant or their predecessor in title. As s 8.2 makes clear, once a design has been made public by its owner or someone whose knowledge of the design originates with the owner, the owner must quickly decide whether protection under the *Industrial Design Act* is desired.

Prior to the reworking of the statute to comply with the Hague System, s 6(3) of the *Industrial Design Act* contained a more general grace period for novelty. It provided that an application for registration of an industrial design must be filed within one year of the design's publication in Canada or elsewhere. The issue of what constituted publication or disclosure was dealt with under this prior version of the legislation in *Algonquin Mercantile Corporation v Dart Industries Canada Limited*, [1984] 1 FC 246:

> The plaintiff made no formal arrangements to ensure the confidentiality of its design. It was reasonable to expect that the central buyers would not disclose the design to the general public. On the other hand, they could reasonably be expected to discuss it within their own organizations. There was neither more nor less confidentiality attached to the disclosures than attaches to any ordinary private commercial proposition. The number of central buyers to whom the prototype was displayed is not important. The question is: Was such disclosure a "publication" of the design within the contemplation of subsection 14(1)?
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> There are numerous English authorities holding that disclosure of a design in the solicitation of an order is a publication of the design within the contemplation of their successive comparable acts. [Footnote omitted.] It is enough to look at the most recent of these. [*Kangol (Manufacturing) Ld v Centrokomise (London) Ld* (1937), 54 RPC 211 (Ch D).] The British Act of the day [*Patents and Designs Acts*, 1907-1932, s 49] provided for the registration of a design "not previously published in the United Kingdom." The absence of the one year's grace period in the British Act is not material to this issue. Commercial interviews before registration in which the designer "was endeavouring to see whether he would be able to put himself into a position to do business" [at 217] and in which the design was disclosed to a potential purchaser were held to be publication. The registration was expunged.

The leading Canadian case dealing with this aspect of subsection 14(1) is *Ribbons (Montreal) Limited v. Belding Corticelli Limited* [[1961] Ex CR 388 at 402] in which it was held:

> "Publication" means the date on which the article in question was first offered or made available to the public. ...
>
> That definition was applied in *Global Upholstery Co. Ltd. et al. v. Galaxy Office Furniture Ltd. et al.* [(1976), 29 CPR (2d) 145 (FCTD)]. In the *Ribbons* case, the disclosures in issue were to persons with whom the design owner wished to explore the feasibility of making a transparent plastic display package for his own use. In the *Global* case, the design was for a chair and the disclosure was to a manufacturer whom the design owner apparently wished to interest in both manufacturing the chairs and selling them to the trade. In other words, he seems to have been interested in selling or licensing his design rather than in having articles made according to it and selling or using them himself. In both cases, the disclosures were held not to have been publications of the designs.
>
> With respect, the definition adopted appears founded on a confusion of the registered design with an article made according to it, which appears to have led the learned Judge in the *Global* case to apply it as if subsection 14(1) dealt with publication of such an article rather than the design. It may, of course, be that publication of the design and an offering or making available of the article made according to it will coincide. However, in order to conform the definition of "publication" to the unambiguous words of subsection 14(1), it is, I think, clear that the definition must be:
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> "Publication" means offering or making available the design to the public.
>
> By that definition, there was no publication in the *Ribbons* case. Whether there was or not in the *Global* situation would seem to depend on one's definition of "public."
>
> "Public" has many meanings but for purposes of the definition must be taken to include those who are, in fact, or are considered by the design owner as apt to be interested in taking up the offer of the design or advantage of its availability. Disclosure of the design, for the purpose of obtaining orders for an article to be made according to the design, is a publication of the design. I am not prepared to hold that any measure of formal confidentiality would avoid such a disclosure being publication; I do hold that ordinary commercial confidentiality is ineffective for the purpose. I incline to the view that the better course is to follow the English authorities and to hold that all disclosures for the purpose of soliciting orders constitute publication. How can one be said not to be publishing his design when he discloses it for the express purpose of marketing it?
>
> The design was published in Canada more than one year before its registration. It was not registrable and the registration should be expunged.

As noted above, the provision regarding the grace period has now changed. While s 6(3) of the previous version of the statute referred to the "publication" of the design, new s 8.2 refers to designs that have been disclosed in such a manner that they "became available to the public in Canada or elsewhere." However, due to the way in which publication has been defined in the earlier case law—as "offering or making available the design to the public"—decisions interpreting s 6(3) may still be relevant to the interpretation of s 8.2. Note as well that some of the language used in s 8.2—namely the phrase "in such a manner that [the subject matter] became available to the public in Canada or elsewhere"—is also used in the novelty provisions of the *Patent Act* (see the language of the *Patent Act*, s 28.2). Thus, the interpretation of this language in patent cases (see the discussion in Chapter 6 of this book) may also be relevant to the interpretation of s 8.2 of the *Industrial Design Act*.

Do you agree that the "novelty" requirement, which is more stringent than the originality requirement in copyright law, strikes a balance that favours a more dynamic and competitive environment for industrial designs? Or does it create a two-tiered system for the protection of

artistic works, depending on whether they are used in industrial production or not? What role does the requirement for registration play in this regard?

A few years ago, there was a concerted international effort at the United Nations, by the World Intellectual Property Organization Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indicators, to put forward a *Design Law Treaty* (*Industrial Design Law and Practice—Draft Articles*, 31st Sess, WIPO Doc SCT/31/2 Rev (10 April 2014)). If this initiative had succeeded, it could have led to the first international agreement on the substantive law protecting industrial designs. Instead, the Preparatory Committee of the Diplomatic Conference for the Adoption of a Design Law Treaty, set for April 28 to 29, 2016, was cancelled days before the event, as there were outstanding issues that could not be overcome. A key unresolved issue was whether the treaty should include an option for nations to require "disclosure of origin" from applicants for design registration ("a disclosure of the origin or source of traditional cultural expressions, traditional knowledge or biological/genetic resources utilized or incorporated in the industrial design" [Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *Report*, 34th Sess, WIPO Doc SCT/34/8 (25 April 2016), Annex 1 at 3, online (pdf): *World Intellectual Property Organization* <https://www.wipo.int/edocs/mdocs/sct/en/sct_34/sct_34_8.pdf>]).

If Canada were to include such a provision in its law, do you think applicants who made such disclosures would then be able to argue that their applications were still novel under the current legislation and jurisprudence? Why or why not? Assuming that such a "disclosure of origin" provision is compatible with Canada's industrial design law, do you think such a provision would be advantageous for Indigenous peoples in Canada? If so, how?

IV. OWNERSHIP, REGISTRATION, AND NOTICE

According to s 12 of the *Industrial Design Act*, the author of a design is by default the first owner of the design "unless the author has executed the design for another person for a good and valuable consideration, in which case the other person is the first proprietor." In the case where a company employs individuals to create designs, the company will be the owner of the designs produced.

As noted earlier, industrial design protection is only available for registered designs (s 9). The owner of the design must file an application for registration, and it must be accompanied by a "representation" of the design, the "name of the finished article in respect of which the design is to be registered," and any other requirements prescribed by the regulations (s 4).

Section 7 of the Act sets out the criteria for assessment of the application for registration:

> 7 A design is registrable if
>
> (a) the application is filed in accordance with this Act;
>
> (b) the design is novel, within the meaning of section 8.2;
>
> (c) the design was created by the applicant or the applicant's predecessor in title;
>
> (d) the design does not consist only of features that are dictated solely by a utilitarian function of the finished article; and
>
> (e) the design is not contrary to public morality or order.

Once registered, the registration serves as evidence of the particulars contained in it, creating a kind of presumption of validity (s 3(2)).

According to s 6(1) of the Act, "The Minister shall refuse an application for the registration of a design and notify the applicant of the refusal if the Minister is satisfied that the design is not registrable."

Section 13(1) provides that registered and unregistered industrial designs are transferable, in whole or in part. Thus, an application for an industrial design is transferable even in advance

of its registration. Any transfer of an application for the registration of a design, or a registered design, must be recorded in accordance with ss 13(2) and (3) of the Act.

Until 1993, it was obligatory for a registered design to be marked with the letters "Rd." Marking a design is now no longer required. However, s 17(1) provides that in infringement proceedings, only an injunction is available where the defendant is able to show that the defendant was unaware, and had no reasonable grounds to suspect, that the design was registered. Section 17(2) provides:

> 17(2) Subsection (1) does not apply if the plaintiff establishes that the capital letter "D" in a circle and the name, or the usual abbreviation of the name, of the proprietor of the design were marked on
>
> (a) all, or substantially all, of the articles to which the registration pertains and that were distributed in Canada by or with the consent of the proprietor before the act complained of; or
>
> (b) the labels or packaging associated with those articles.

Thus, although giving notice of registration is not required, it does carry with it some advantages should litigation arise.

V. INFRINGEMENT

The exclusive right of the owner of a registered industrial design is described in s 11 of the Act:

> 11(1) During the existence of an exclusive right, no person shall, without the licence of the proprietor of the design,
>
> (a) make, import for the purpose of trade or business, or sell, rent, or offer or expose for sale or rent, any article in respect of which the design is registered and to which the design or a design not differing substantially therefrom has been applied; or
>
> (b) do, in relation to a kit, anything specified in paragraph (a) that would constitute an infringement if done in relation to an article assembled from the kit.
>
> (2) For the purposes of subsection (1), in considering whether differences are substantial, the extent to which the registered design differs from any previously published design may be taken into account.

Where the allegedly infringing design is identical to the one registered, then infringement is easy to determine. It is considerably more challenging where there are differences between the two.

In the following case, consider the analysis used by the judge to determine whether the defendant infringed on the plaintiff's registered design.

Bodum USA, Inc v Trudeau Corporation (1889) Inc
2012 FC 1128

BOIVIN J:

I. Overview

[1] Bodum USA, Inc. (Bodum) and PI Design AG. (collectively the plaintiffs) are commencing an action against the company Trudeau Corporation (1889) Inc. (Trudeau or the defendant) and are seeking relief in application of the *Industrial Design Act*, RSC 1985, c I-9 [Act] on the ground of infringement of two (2) Canadian

industrial designs registered under numbers 107,736 and 114,070 (industrial designs), which correspond to Bodum double wall glasses marketed by Bodum.

[2] As part of their action, the plaintiffs are also claiming that Trudeau violated paragraph 7(b) of the *Trade-marks Act*, RSC 1985, c T-13, and are raising allegations of unfair competition (offence of confusion). The plaintiffs are seeking a permanent injunction against Trudeau as well as the profits in connection with its activities.

[3] Trudeau denies acting in violation of the industrial designs in question. Trudeau also denies directing public attention to its wares in such a way as to cause or be likely to cause confusion between its wares and the wares of Bodum. Furthermore, as plaintiff by counterclaim, Trudeau is seeking a declaration that the industrial designs in question are and have always been invalid.

[4] For the following reasons, the Court finds that the plaintiffs' action should be dismissed and that Trudeau's counterclaim should be allowed.

II. Factual Background

The Parties

[5] The plaintiff PI Design AG. is a company established in accordance with Swiss laws, and has its place of business in Lucerne, Switzerland. It holds the intellectual property of the company Bodum USA, Inc., including industrial designs 107,736 and 114,070.

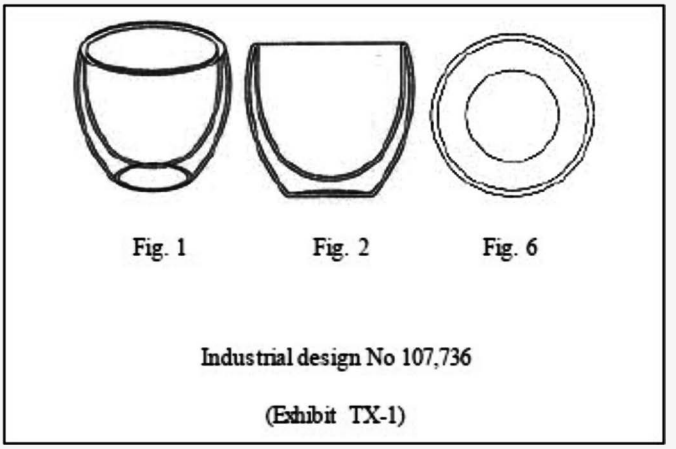
[6] The company Bodum was founded in Denmark in 1944 and markets kitchen products. The plaintiff Bodum USA, Inc. is a company established in accordance with American laws, and its place of business is in New York City in the United States.

[7] PI Design AG. granted Bodum USA, Inc. a licence to distribute "Bodum" brand products in the United States, Canada, Mexico and South America. Bodum USA, Inc. has no place of business in Canada. Canadian retailers are supplied from the United States.

[8] The defendant, Trudeau, is a company established in accordance with Canadian laws, and its place of business is in Boucherville, Quebec. Founded in 1889, Trudeau is dedicated to researching and developing, designing, manufacturing, importing and marketing "Trudeau" and "Home Presence by Trudeau" brand kitchen products in Canada and around the world.

The Industrial Designs and the Glasses in Question

[9] Industrial design 107,736 (TX-1) [TX-1 corresponds to Exhibit TX-198 (Pavina)] is described as follows:



The design consists of the visual features of the entirety of the drinking glass shown in the drawings. Drawings of the design are included wherein: Figure 1 is an oblique perspective view of the design; Figure 2 is a front view of the design; [Figure 3 is a rear view of the design; Figure 4 is a right view of the design; Figure 5 is a left view of the design]; Figure 6 is a top view of the design; and [Figure 7 is a bottom view of the design].

[10] Industrial design 114,070 (TX-214) [TX-214 corresponds to TX-189 (Assam)] is described as follows:

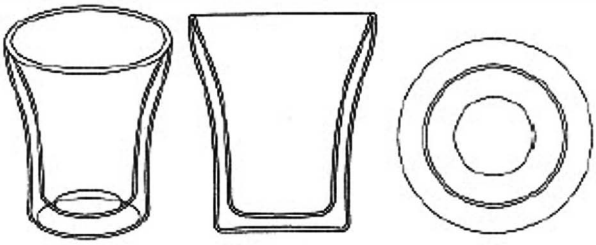


Fig. 1 Fig. 2 Fig. 6

Industrial design No 114,070

(Exhibit TX-214)

The design consists of the visual features of the entirety of the drinking glass shown in the drawings. Drawings of the design are included wherein: Figure 1 is a perspective view of the design; Figure 2 is a front view of the design; [Figure 3 is a rear view of the design; Figure 4 is a right side view of the design; Figure 5 is a left side view of the design]; Figure 6 is a top view of the design; and [Figure 7 is a bottom view of the design].

[11] The glass models TX-186 and TX-47 sold by Trudeau that are at issue in this case are as follows:

 Trudeau glass	 Trudeau glass
(Exhibit TX-186)	(Exhibit TX-47)
Product number: 4,601,063	Product number: 4,601,064

Earlier Proceedings

[12] Bodum introduced its double wall glasses for the first time in August 2003 at the Ambiente trade fair in Frankfurt, Germany.

[13] Subsequently, Bodum's double wall glasses were introduced to the Canadian market towards the end of 2003 or the beginning of 2004 (T86—May 22).

[14] The industrial designs 107,736 and 114,070 were filed on July 27, 2004. The industrial designs were registered with the Office of the Commissioner of Patents of the Canadian Intellectual Property Office on February 1, 2006. The priority date for the industrial designs in question is February 18, 2004. The industrial designs have no registered variants.

[15] The Court notes that the industrial designs in question were not identified by the letter "D" in a circle with the name or the usual abbreviation of the proprietor of the design as set out in section 17 of the Act.

[16] Trudeau's double wall glasses were introduced to the Canadian market in the fall of 2006. At the time, Trudeau was aware of the double wall glasses marketed by Bodum.

[17] On January 31, 2007, the plaintiffs sent a letter of formal notice to Trudeau. On May 1, 2007, the plaintiffs commenced this action in the Federal Court against Trudeau.

[18] On November 9, 2009, Prothonotary Morneau issued a confidentiality order. The order was renewed by the undersigned on May 16, 2012.

[19] On April 13, 2011, before the trial started, counsel for Trudeau served on counsel for the plaintiffs a written offer to settle.

[20] On January 30, 2012, Prothonotary Morneau rendered a decision setting security for Trudeau's costs at $55,000. That decision was appealed. On February 21, 2012, Justice de Montigny set aside Prothonotary Morneau's decision in part and increased security for Trudeau's costs to $75,000.

III. Issues

[21] The issues raised in this case are the following:

1) Was there infringement of industrial designs 107,736 and 114,070?
2) Is the registration of industrial designs 107,736 and 114,070 invalid?
3) Does Trudeau's marketing of double wall glasses constitute unfair competition (offence of confusion)?

IV. Fact Witnesses

[22] One fact witness was heard on behalf of the plaintiffs: Thomas Perez.

Thomas Perez

[23] Mr. Perez is the President of Bodum USA, Inc. He testified that he has worked at Bodum since June 2000 and that he has been the President of Bodum USA, Inc. since September 2007. Mr. Perez provided Bodum's history and its connection to PI Design AG. In addition, Mr. Perez testified as to the presence of Bodum products on the Canadian market since the 1970s. Mr. Perez presented various products sold by Bodum in Canada as well as Bodum's sales figures in Canada. More specifically, Mr. Perez testified as to the company's sales percentages and their breakdown into, namely, coffee presses, double wall glasses, tea products and finally, electrical appliances and other coffee makers.

[24] Regarding double wall glasses, Mr. Perez indicated that the double wall glass design was inspired by a small Japanese sake bowl spotted by Jörgen Bodum (T93—May 22). Mr. Perez also described the introduction of the double wall glasses to the Canadian market and their marketing. In cross-examination, counsel for Trudeau raised questions concerning the amount of Bodum sales in Canada and questions with respect to the industrial designs at issue. Furthermore, counsel for Trudeau guided Mr. Perez through a comparison between a variety of glasses and industrial designs.

[25] The defendant, Trudeau, presented two fact witnesses: Robert Trudeau and Charles Harari.

Robert Trudeau

[26] Mr. Trudeau shared the story and evolution of the Trudeau company.

[27] Mr. Trudeau is President of Trudeau's Board and has worked within the Trudeau company since 1967. He indicated that the company started to develop kitchen products in the 1980s. It was in 1995 that the company created the "Trudeau" and "Home Presence by Trudeau" brands. Mr. Trudeau testified as to the percentage of Trudeau products that are designed and manufactured by the company itself and then on the remaining percentage that represents Walt Disney brand products and Bormioli brand products distributed by the company in Canada.

[28] Mr. Trudeau also testified as to the diversity of the products sold by Trudeau on the Canadian market as well as the types of stores where products are available. In cross-examination, Mr. Trudeau confirmed that a children's double wall glass was created by Trudeau for Walt Disney in the 1990s (T202—May 22). That glass was later submitted and shown as Exhibit P-1.

Charles Harari

[29] Mr. Harari is Vice-President of development at Trudeau. He testified that he has worked for the company since 1994 and that he is currently responsible for intellectual property issues, factory selection, quality control at the office in China, and product development.

[30] Mr. Harari testified as to the research and development of Trudeau's products. He also indicated that Trudeau has a portfolio of patents and industrial designs. Mr. Harari also testified as to the marking, labelling and packaging of Trudeau's products, as well as to the presentation of the products at the points of sale. Furthermore, Mr. Harari addressed the advertising of the company's products.

[31] Regarding Trudeau's sale of double wall glasses, Mr. Harari's testimony pertained namely to the company's initial agreement with the American company "Formation" (T57—May 23) and his visit to the Chinese factory in 2006 (T60-62—May 23), where the double wall glasses are made, and his initial questions concerning the intellectual property of double wall glasses. He also provided an overview of the various double wall glasses sold on the Canadian market. Finally, Mr. Harari specified that certain stores in Canada offer "Trudeau" brand products whereas others offer "Home Presence by Trudeau" brand products. There were no questions in cross-examination.

V. The Expert Witness

[32] Michel Morand is the only expert witness who appeared before the Court during the trial. He was called by Trudeau. His qualifications as an expert witness

in industrial design as well as the content of his report were not the subject of objections by the plaintiffs.

Michel Morand

[33] Mr. Morand obtained a bachelor's degree in industrial design from the Université de Montréal in 1979. He started his own industrial design consultation office, Enta Design, in 1979.

[34] Mr. Morand gave an overview of the work of an industrial designer and explained the different products that he has designed throughout his career. Mr. Morand admitted that he has never designed a glass, but explained that the same methodology and process are applicable to the field. Mr. Morand stated that the shape of the industrial designs has existed for a long time. Moreover, Mr. Morand compared the industrial designs and the pre-2003 glasses and determined that the differences between the prior art glasses and the industrial designs are very minimal. Mr. Morand testified that, in his opinion, there was no "spark of inspiration" in the shape of the Bodum double wall glass. By comparing the industrial designs in question and the Trudeau double wall glasses and by analyzing the exterior lines and the interior lines more specifically, he concluded that the interior and exterior lines of the industrial designs in question and the Trudeau glasses were different.

[35] In cross-examination, Mr. Morand admitted that he is not a glassware designer. Mr. Morand also admitted that some glasses included in his report (MM-9, MM-12, MM-10, MM-13, MM-18) were undoubtedly not double wall glasses. Also, Mr. Morand indicated that he had no physical example of several of the prior art glasses included in his report. Finally, Mr. Morand confirmed that the blue Bodum glass (TX-194) was a double wall glass and that there were no relevant differences in this case between that glass and the Trudeau glasses.

VI. Relevant Statutory Provisions

[36] The relevant legislation is reproduced in Annex A. At this point, the Court reiterates some relevant provisions for the purposes of this case.

[37] First, the Act defines a "design" in section 2 as being "features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye."

[38] It is also important to note that industrial designs protect the visual features of an article, not its functionality. This principle is codified in section 5.1 of the Act:

> No protection afforded by this Act shall extend to
>
> (a) features applied to a useful article that are dictated solely by a utilitarian function of the article; or
>
> (b) any method or principle of manufacture or construction.

[39] Finally, the registration of industrial designs is done in accordance with subsection 6(1) of the Act:

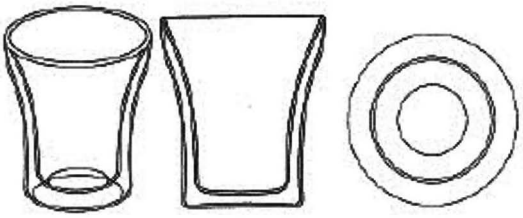
> The Minister shall register the design if the Minister finds that it is not identical with or does not so closely resemble any other design already registered as to be confounded therewith, and shall return to the proprietor thereof the drawing or photograph and description with the certificate required by this Part.

VII. Analysis

1. Infringement

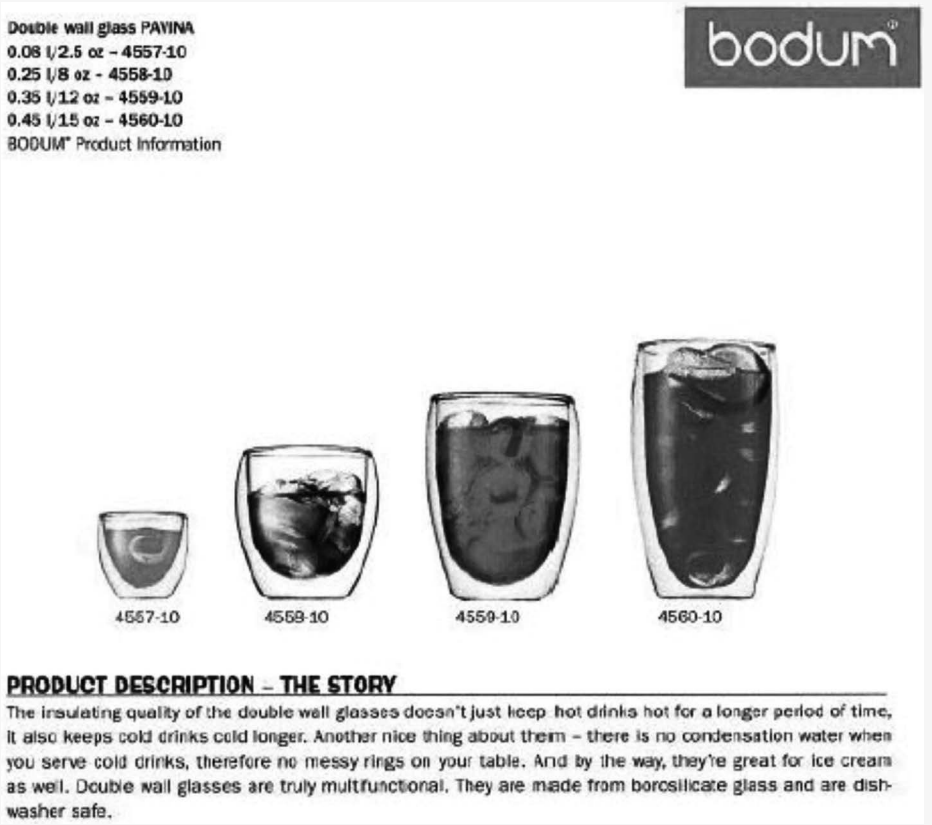
Preliminary Remarks

[40] Before beginning to analyze the infringement issue, it is useful to reproduce the industrial designs of the Bodum glasses and the Trudeau glasses side by side:

INDUSTRIAL DESIGNS AT ISSUE	TRUDEAU DOUBLE WALL GLASSES
 Fig. 1 Fig.2 Fig.6 Industrial design No 107,736 (Exhibit TX-1)	 (Exhibit TX-186) and  (Exhibit TX-47)
 Fig. 1 Fig.2 Fig.6	 (Exhibit TX-186) and
Industrial design No 114,070 (Exhibit TX-214)	 (Exhibit TX-47)

[41] The industrial designs represent the double wall glasses. It is also apparent from the hearings that Bodum's double wall glasses have a utilitarian function and that utilitarian function was admitted by the plaintiffs (Plan of argumentation of Plaintiffs/Defendants by Counterclaim, page 6).

[42] The Court also points out that Bodum's description of the *Pavina* series, which includes Bodum double wall glass TX-198, mentions that the utilitarian function of those glasses is to keep hot drinks hot and cold drinks cold. The following description indicates that those glasses are multifunctional:



> The insulating quality of the double wall glasses doesn't just keep hot drinks hot for a longer period of time, it also keeps cold drinks cold longer. Another nice thing about them—there is no condensation water when you serve cold drinks, therefore no messy rings on your table. And by the way, they're great for ice cream as well. Double wall glasses are truly multifunctional. They are made from borosilicate glass and are dishwasher safe.

[43] The utilitarian function of Bodum's double wall glasses was confirmed by Mr. Perez, the President of Bodum USA, Inc., during his examination, as making it possible to keep hot liquid hot or cold liquid cold (T89—May 22).

[44] As such, more specifically, what is the functional element of Bodum's double wall glasses? In the case at bar, it is the space between the interior and exterior walls of the double wall glasses.

[45] As previously specified, and the parties agree on this point, industrial designs protect visual features but not utilitarian function, that is, in this case, the

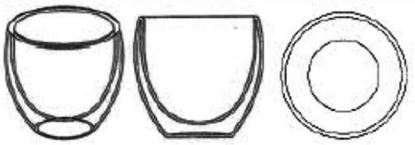
space between the double walls (John S. McKeown, *Fox, Canadian Law of Copyright and Industrial Designs*, 4th ed (Toronto: The Carswell Thomson Professional Building, 2009) at page 811, c 31-9).

[46] The protection offered by industrial designs should also not be confused with the protection obtained for a product or a process through a patent. As admitted by the plaintiffs, industrial designs do not confer on them monopoly over double wall glasses in Canada (Plan of argumentation of Plaintiffs/Defendants by Counterclaim, page 6). Thus, as explained in *Sommer Allibert (UK) Limited and Another v Flair Plastics Limited*, [1987] 25 RPC 599 at page 625 (UK ChD, appeal) [*Sommer Allibert*], the similarities arising from the utilitarian function are not taken into account by the Court in its infringement analysis:

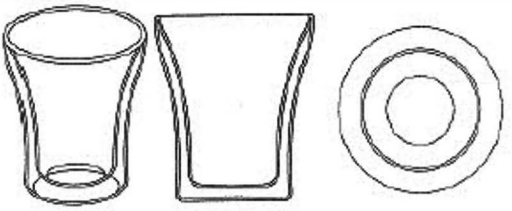
> The court has to decide only whether the alleged infringement has the same shape or pattern, and must eliminate the question of the identity of function, as another design may have parts fulfilling the same functions without being an infringement. *Similarly, in judging the question of infringement the court will ignore similarities or even identities between the registered design and the alleged infringement which arise from functional matters included within the design.*
>
> (Joint book of authorities, Tab 39)
> (citing *Halsbury's Laws of England*, 4th ed, vol 48, para 407)
> [Emphasis added.]

[47] In this case, it is the configuration of the double wall glasses that is of particular relevance. The Court notes that there are two industrial designs at issue in this case: design 107,736 (Exhibit TX-1) and design 114,070 (Exhibit TX-214).

[48] Industrial design 107,736 (Exhibit TX-1) is configured as follows:

	CONFIGURATION	 Fig. 1 Fig.2 Fig.6 Industrial design No 107,736 (Exhibit TX-1)
(i)	Height : width proportion [ratio]	9 : 10 [90%]
(ii)	Curvature of the exterior wall (bottom ⇒ top)	Convex (very rounded)
(iii)	Curvature of the interior wall (bottom ⇒ top)	Convex (very rounded)
(iv)	Opening : base proportion [ratio]	2 : 1 [200%]

[49] Industrial design 114,070 (Exhibit TX-214) is configured as follows:

	CONFIGURATION	 Fig. 1 Fig.2 Fig.6 Industrial design No 114,070 (Exhibit TX-214)
(i)	Height : width proportion [ratio]	6 : 5 [120%]
(ii)	Curvature of the exterior wall (bottom ⇒ top)	Concave ⇒ slightly convex
(iii)	Curvature of the interior wall (bottom ⇒ top)	Concave ⇒ convex
(iv)	Opening : base proportion [ratio]	4 : 3 [135%]

[50] It is also important to point out that industrial designs claim the design in its entirety as opposed to in part. Industrial designs 107,736 (Exhibit TX-1) and 114,070 (Exhibit TX-214) mention the following: "The design consists of the visual features of the entirety of the drinking glass in the drawings." In this case, where emphasis is on the entirety of the design, in order to establish infringement, the article in question will have to be quasi identical:

> To establish infringement where the shape or configuration of the whole of an article of this kind is the essence of the design, I think there must be shown to be something reasonably approaching identity ...
>
> (*Sommer Allibert*, above, at page 626)
> (citing *Jones & Attwood Ltd v National Radiator Company Ltd* (1928) 45 RPC 71 at 84)

[51] It follows that Trudeau double wall glasses must be characterized as substantially the same for there to be infringement and, in its analysis, the Court will ignore the utilitarian function of the double wall glasses, that is, the space between the walls.

[52] The analysis of the infringement issue starts with prior art.

Prior Art

[53] With respect to prior art, the plaintiffs claim that the prior art differs from the industrial designs whereas the defendant is of the opposite opinion that the prior art is very similar, if not identical.

Relevant Date

[54] The relevant date to determine the prior art is not an issue in this case, it is therefore sufficient to note that the relevant priority date for industrial designs 107,736 and 114,070 is February 18, 2004.

Comparison Parameters

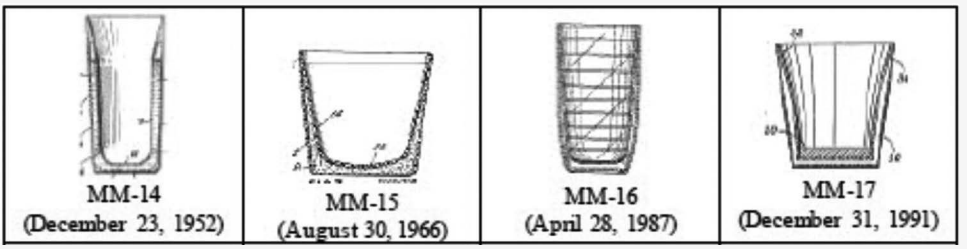
[55] In *Bata Industries Ltd v Warrington Inc.*, [1985] F.C.J. No. 239, 5 CPR (3rd) 339, at page 345 (FCTD) (*Bata*), Justice Reed explained that industrial designs and prior art must be compared by ignoring the construction, colour and material processes:

> The relevant evidence then, must be considered for the purpose of comparing the pre-existing designs with the registered design; differences in construction, material (leather-canvas, rubber-plastic), and colour (colour is not a part of the registered design in this case) must be ignored. It is the ornamentation, pattern, design, shape and configuration as set out in the drawings and description of the registered design which must be compared with that of pre-existing shoe designs.

[56] In the context of this case, the Court is mindful of those parameters and now turns to the issue of prior art in this case.

Double Wall Glasses

[57] The trial gave rise to discussions on the existence of double wall glasses prior to the priority date. Mr. Morand, the expert witness, explained that double wall glasses have existed for a certain number of years, even before 2003, and that a great many patents and industrial designs have provided specifications for double wall glasses. He provided the following examples, in particular:



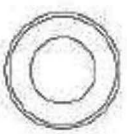
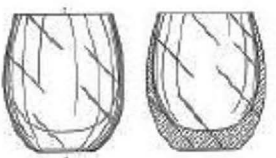
(Michel Morand's Expert Report, paragraph 23)

[58] For example, Mr. Morand referred to patent 3,269,144 from 1966 entitled "Double Wall Tumbler Having Cooling Means Therein" (T39-40—May 24 and Exhibit MM-15) and patent 289,484 from 1987 entitled "Double Wall Insulated Tumbler" (T40—May 24 and Exhibit MM-16). Mr. Morand is therefore of the opinion that [TRANSLATION] "double wall [glasses] have existed for a long time" (T40—May 24).

[59] Furthermore, the evidence shows that Bodum marketed a blue plastic double wall glass in 1991 (Exhibit D-1, tabs 6-9; Exhibit TX-194). In light of the evidence, the Court finds that double wall glasses existed when Bodum introduced its double wall glasses on the Canadian market in 2003/2004.

Relevant Prior Art and the Lines of Industrial Design 107,736 and Trudeau Glasses TX-186 and TX-47

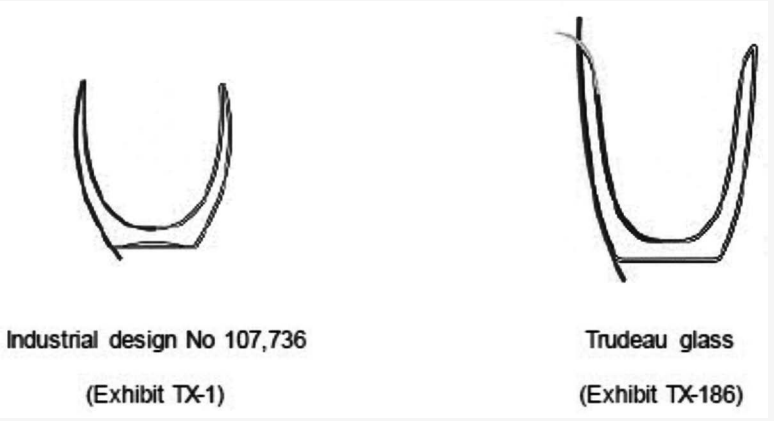
[60] Mr. Morand, the expert witness, indicated that internet research and an American patents database called USPTO (T7—May 24), made it possible to show that there is relevant prior art for industrial design 107,736 (Exhibit TX-1). Mr. Morand explained to the Court that the differences between what can be found in the prior art and industrial design 107,736 are minimal (T33—May 24). The table illustrates the prior art relevant to industrial design 107,736:

BODUM INDUSTRIAL DESIGN	PRIOR ART	
  Industrial design No 107,736 (Exhibit TX-1) (2003)	 (Exhibit TX-97) (1897)	 (Exhibit TX-106) (2000)
	  (Exhibit TX-105) (2001)	 Double-walled salt dish (Exhibit TX-168) (*circa* 1750-1800)

[61] More specifically, Mr. Morand addressed the resemblances between the shape of the prior art designs and that of industrial design 107,736. In cross-examination, Mr. Morand was not able to confirm whether the prior art designs had a double wall. However, that element is not determinative in this case because, even though the two (2) industrial designs in question show an exterior line and an interior line with a space in between the two, nothing indicates that that space contains air, liquid or glass. The description of the industrial designs in question is also silent on this point. The same can be said for certain prior art, including the design from 1897 (Exhibit TX-97).

The Lines of Industrial Design 107,736 and Trudeau Glass TX-186

[62] As illustrated below, the interior line and the exterior line of industrial design 107,736 are completely convex, from the bottom to the top of the glass (Michel Morand, T19-20—May 24). However, the interior line of Trudeau glass TX-186 is first convex, and then becomes concave. The exterior wall of the Trudeau glass is completely convex, like that of industrial design 107,736 (Michel Morand's Expert Report, paragraph 25).



[63] Mr. Morand, the expert witness, opined that the proportions of industrial design 107,736 and Trudeau glass TX-186 are not the same:

> [TRANSLATION] And even if I tried to reduce the Trudeau glasses, I would never arrive at the shape at the top because I would not have the same proportions; I would not have ... the same look. But it must still be noted that the curves at the top of the industrial design, a prominent curve compared to the others which have—in the Trudeau glasses, I clearly have two curves in the interior with a point of tangency; that is very important to say. (T24—May 24)

The Lines of Industrial Design 107,736 and Trudeau Glass TX-47

[64] Regarding industrial design 107,736 and Trudeau glass TX-47, Mr. Morand noted that the interior walls of industrial design 107,736 are completely convex, whereas the interior wall of Trudeau glass TX-47 is first convex, and then becomes concave at the top of the glass. The exterior wall of Trudeau glass TX-47 is completely convex, but a lot less rounded than the exterior wall of industrial design 107,736, as illustrated below (Michel Morand's Expert Report, paragraph 25).

Industrial design No 107,736

(Exhibit TX-1)

Trudeau glass

(Exhibit TX-47)

Relevant Prior Art and the Lines of Industrial Design 114,070 and Trudeau Glasses TX-186 and TX-4

[65] The prior art submitted into evidence in respect of industrial design 114,070 (TX-214) are the following:

Industrial design No 114,070

(Exhibit TX-214)

(2003)

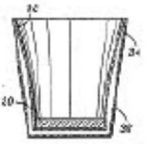
FIG. 285. (One third.)

(Exhibit TX-97)

(1897)

(Exhibit TX-13)

(1915)



(Exhibit TX-21)

(December 31, 1991)

Coca-Cola glass

(Exhibit TX-108)

(*circa* 1919)

History of the glass

(19th century)

(Exhibit TX-166)

(1834)

Assam No 4553-16

(Exhibit TX-219)

(before 2003)

[66] Mr. Morand also stated that the differences between what can be found in prior art and industrial design 114,070 (Exhibit TX-214) are minimal (Michel Morand, T33—May 24). He also opined that industrial design 114,070 differs from Trudeau glasses TX-186 and TX-47 (T24-25—May 24).

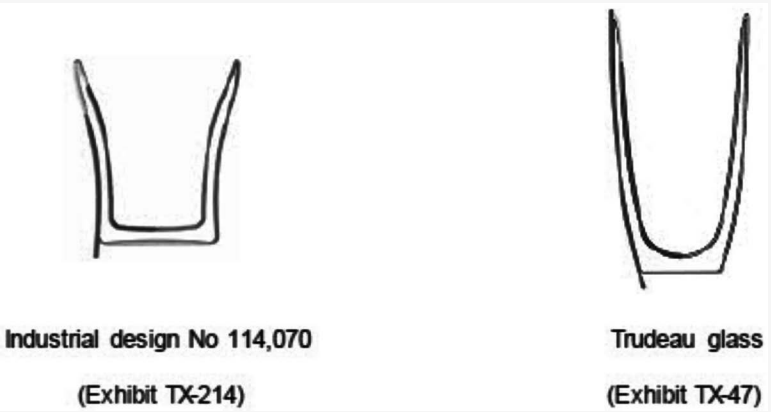
The Lines of Industrial Design 114,070 and Trudeau Glass TX-186

[67] Regarding industrial design 114,070 and Trudeau glass TX-186, Mr. Morand explained that the lines also differ (Michel Morand's Expert Report, paragraph 26).

[68] In that respect, Mr. Morand explained that the exterior line of industrial design 114,070 starts out concave and then becomes slightly convex towards the top whereas it is clear that the exterior line of Trudeau glass (TX-186) is convex. Regarding the interior lines of the Trudeau glass, they are first convex and then become concave, which is contrary to industrial design 114,070, as illustrated below:

The Lines of Industrial Design 114,070 and Trudeau Glass TX-47

[69] Finally, with respect to industrial design 114,070 and Trudeau glass TX-47, Mr. Morand explained that the exterior wall and the interior wall of industrial design 114,070 are concave at the bottom of the glass and become slightly convex at the top of the glass. However, the interior wall of Trudeau glass TX-47 has a completely opposite curvature, that is, convex at the bottom becoming concave at the top. Also, the exterior wall of Trudeau glass TX-47 is completely convex, which is not the case for industrial design 114,070 (Michel Morand's Expert Report, paragraph 26), as illustrated below:



The Legal Test for Comparison

[70] Having shown the prior art, the Court now turns to the legal test applicable to the comparative analysis. Section 11 of the Act defines infringement of an industrial design as follows:

> 11(1) During the existence of an exclusive right, no person shall, without the licence of the proprietor of the design,
>
> (a) make, import for the purpose of trade or business, or sell, rent, or offer or expose for sale or rent, any article in respect of which the design is registered and to which the design *or a design not differing substantially therefrom has been applied*; or
>
> • • •
>
> (2) For the purposes of subsection (1), in considering whether differences are substantial, the extent to which the registered design differs from any previously published design may be taken into account.
>
> [Emphasis added.]

[Note: the French language versions of the statutory provisions are omitted.]

[71] In this case, infringement will therefore occur if the Trudeau glasses do not differ substantially from the industrial designs in question, as specified in the following excerpt from the doctrine in the field:

> As previously set out, designs are registered in association with specifically identified articles. Infringement will occur when the design or a design not differing substantially therefrom has been applied to the article(s) for which the design was registered. ...
>
> (John S. McKeown, *Fox, Canadian Law of Copyright and Industrial Designs*, 3rd ed (Toronto: Carswell Thomson Professional Publishing 2000) at pages 837-838.)

[72] The parties do not agree on the legal test the Court should apply for comparing the industrial designs in question and the Trudeau glasses and thus deciding whether infringement occurred.

[73] The plaintiffs claim that the Court must decide the issue by carrying out an analysis the way the consumer would see it and by applying the three-pronged test developed in England and stated in *Valor Heating Co. v Main Gas Appliances Ltd.*, [1972] FSR 497, that refers to the doctrine of "imperfect recollection." The plaintiffs also rely on the judgment of the Superior Court of Quebec in *Les Industries Lumio (Canada) Inc. v Denis Dusablon et al*, 2007 QCCS 1204 (CST 700-17-001314-037, March 20, 2007 [*Lumio*]). The three-pronged test raised by the plaintiffs and reiterated in *Lumio* at paragraph 182 is as follows:

> [TRANSLATION]
>
> (a) The designs that are the subject of the comparison must not be examined side by side, but separately, so that imperfect recollection can guide the visual perception of the finished article;
> (b) One must look at the entirety, and not the individual components of the design;
> (c) Any change with respect to prior art must be substantial.

[74] The defendant told the Court that the test should be carried out from the point of view of how the aware consumer would see things. The defendant also contended that the three-pronged test, which was developed in England and was applied before the amendment of the Act in 1993, is no longer applicable.

[75] As noted by the defendant, a comparison of section 11 of the Act before the amendment of 1993 and after the amendment of 1993 indeed shows that the pre-1993 version contained an element of "fraudulent imitation," whereas that element was removed by the 1993 amendment and replaced by the concept of "design not differing substantially":

> Before the 1993 Amendment
>
> *Using design without leave*
>
> 11. During the existence of an exclusive right, whether of the entire or partial use of a design, no person shall, without the licence in writing of the registered proprietor, or, if assigned, of the assignee of the proprietor, apply, for the purposes of sale, the design or a *fraudulent imitation* thereof to the ornamenting of any article of manufacture or other article to which an industrial design may be applied or attached, or publish, sell or expose for sale or use, any such article to which the design or *fraudulent imitation* thereof has been applied. R.S., c. I-8, s. 11.
>
> *Industrial Design Act*, RSC 1985, c I-9, s 11 (before the amendment of SC 1993, c 44, s 164)
>
> (Defendant's book of additional authorities)
>
> After the 1993 Amendment
>
> *Using design without licence*
>
> 11.(1) During the existence of an exclusive right, no person shall, without the licence of the proprietor of the design,
>
> (a) make, import for the purpose of trade or business, or sell, rent, or offer or expose for sale or rent, any article in respect of which the design is registered and to which the design or a design not differing substantially therefrom has been applied; or
>
> (b) do, in relation to a kit, anything specified in paragraph (a) that would constitute an infringement if done in relation to an article assembled from the kit.
>
> (2) For the purposes of subsection (1), in considering whether differences are substantial, the extent to which the registered design differs from any previously published design may be taken into account.
>
> *Industrial Design Act*, RSC 1985, c I-9, s 11 (after the amendment of SC 1993, c 44, s 164)
>
> (Joint book of authorities, Tab 42)

[76] Furthermore, even though the doctrine also seems to support the proposal that the test to determine whether infringement occurred has been different since the amendment (John S. McKeown, *Fox, Canadian Law of Copyright and Industrial Designs*, 3rd ed (Toronto: Carswell Thomson Professional Publishing 2000) at page 838), without ruling on the issue, the Court indeed notes that the application

of the three-pronged test may raise a certain number of questions with respect to its relevance, in light of the amendment of section 11 of the Act in 1993.

[77] During the hearing, a discussion took place concerning the use of the expression "aware consumer" and "informed consumer." The Court notes that the French versions of certain Federal Court decisions on industrial designs, namely *Bata*, above, and *Rothbury International Inc v Canada (Minister of Industry)*, 2004 FC 578 at paragraph 31, [2004] F.C.J. No. 691 [*Rothbury*], use the French expression "*consommateur averti*" ["aware consumer"] to translate the English expression "informed consumer" ["*consommateur informé*"].

[78] The question is thus the following: is there a difference between the expressions "aware consumer" and "informed consumer" for the purposes of this case? Le Petit Robert defines the term "*Averti*" ["Aware"] as follows: [TRANSLATION] "having knowledge, conscious. = well-informed, not ignorant, concerned." It defines the term "*Informé*" ["Informed"] as follows: [TRANSLATION] "With knowledge of the facts. = aware, knowledgeable, apprised of." The Larousse French-English/English-French dictionary defines "*Averti*" [Aware] as "Informed, experienced" and "Informed" as "Au courant, renseigné" ["Aware, apprised of"].

[79] The definitions quoted above show that the words "*Averti*" ["Aware"] and "*Informé*" ["Informed"] indeed mean the same thing and the Court is of the opinion that they can be considered synonyms of the English expression "informed consumer."

[80] In short, the issue of using the expression "aware consumer" or "informed consumer" is a false debate. The Court is of the opinion that the alleged infringing product must be analyzed by the Court from the point of view of how the informed consumer would see things, as specified by my colleague Justice Tremblay-Lamer in 2004 in *Rothbury*, above, at paragraph 31; see also *Algonquin Mercantile Corporation v Dart Industries Canada Ltd* (1984), 1 CPR (3d) 75, at page 81); *Sommer Allibert*, above, at pages 624-25).

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[81] Thus, after weighing the testimony of the expert witness, Mr. Morand, and the parties' arguments, the Court finds that the Trudeau glasses do not have the features attributed to them by the plaintiffs and that the Trudeau glasses are not infringing products.

[82] Firstly, prior art clearly demonstrates that the lines of industrial design 107,736 existed. More specifically, and the Court is in agreement with Mr. Morand, the design from 1897 has interior and exterior lines very similar to industrial design 107,736. The design from 1897 has an interior line and therefore a double wall. That double wall may contain an air chamber, glass or liquid. Exhibit TX-168 (Double-walled salt dish) is also very similar if we disregard the base, which could be characterized as a variant.

[83] Moreover, by comparing the proportions of industrial design 107,736 and Trudeau glasses TX-186 and TX-47, the proportions differ namely with respect to the exterior curves and openings. Similarly, by comparing industrial design 114,070 and Trudeau glasses TX-186 and TX-47, the fact is that the proportions differ once again as industrial design 114,070 is designed according to an exterior concave

curve that becomes convex. However, the exterior line of the Trudeau glasses is completely convex. What is more, the evidence in the record demonstrates that the shape of industrial design 114,070 existed in a prior Bodum Assam model (Exhibit TX-219, Assam No 4553-16), the only real difference being that it had a handle (Exhibit D-1, "Defendant's Discovery Read-Ins of Jörgen Bodum," Tab 10, pages 30 and 32).

Blue Bodum Double Wall Glass TX-194

[84] In addition, the blue Bodum double wall glass TX-194 made in 1991 was the focus of the discussions during the trial.

[85] The blue Bodum double wall glass TX-194 clearly shows that Bodum made double wall glasses before 2003/2004. The plaintiffs admit that colour is not protected by industrial design, but allege that there are differences between the blue Bodum double wall glass and the Trudeau glasses in question. The plaintiffs' arguments can be summarized as follows:

[TRANSLATION]

- The Trudeau glasses are translucent, but the blue Bodum double wall glass is less so;
- The blue Bodum double wall glass does not seem to be a double wall glass;
- The blue Bodum double wall glass contains two (2) pronounced rings at the top of the glass;
- The bottom of the glass does not have the same shape as the Trudeau glasses.

(Plan of Argumentation of Plaintiffs/Defendants by Counterclaim, page 8.)

[86] The defendant denies these differences and their relevance, if applicable.

[87] In light of the evidence, the Court is of the opinion that the Trudeau glasses are a lot more similar to some pre-2003 glasses than to the industrial designs in question in this case. The blue Bodum double wall glass TX-194 is an example of this. More specifically, as explained by the expert witness, Mr. Morand, the Court is in agreement with him that the Trudeau glasses have the same configuration as the blue Bodum double wall glass TX-194. When compared, the Trudeau glasses and the blue Bodum double wall glass TX-194 have a convex exterior line and an interior line that becomes convex towards the top and those lines differ from the industrial designs, as illustrated below:

Trudeau glass

(Exhibit TX-186)

Trudeau glass

(Exhibit TX-47)

(Exhibit TX-194)

Industrial design No 107,736

(Exhibit TX-1)

Industrial design No 114,070

(Exhibit TX-214)

[88] The Court recalls that it is settled law that colour must be disregarded when assessing prior art. With respect to the rings and the bottom of the blue Bodum double wall glass TX-194, they are not [TRANSLATION] "obvious" and the Court is instead of the opinion that they have no impact on the visual aspect of the glass (Mr. Morand, cross-examination, T53-55—May 24).

[89] As a result, the plaintiffs' argument that it is the translucent double wall of the Trudeau glasses that makes them so similar to Bodum double wall glasses (Opening Statement of Plaintiffs/Defendants by Counterclaim, paragraph 5) must be rejected.

[90] It follows that, even if the Court disregarded the prior art, the Trudeau glasses have almost none of the features of the configuration of the industrial designs in question.

2. Invalidity

[91] The Court recalls that the defendant, by counterclaim, argues the invalidity of the industrial designs in question whereas the plaintiffs contend that the registration of those designs is valid.

[92] First, it must be noted that industrial designs registered with the Office of the Commissioner of Patents of the Canadian Intellectual Property Office are protected for ten (10) years (section 10 of the Act) and enjoy a *prima facie* presumption of validity. Subsection 7(3) of the Act states the following:

> *Certificate to be evidence of contents*
>
> 7(3) The certificate, in the absence of proof to the contrary, is sufficient evidence of the design, of the originality of the design, of the name of the proprietor, of the person named as proprietor being proprietor, of the commencement and term of registration, and of compliance with this Act.

[93] That presumption is, however, not irrebuttable.

[94] As mentioned in paragraph 12, the first public disclosure of the Bodum glasses took place in August 2003 (Exhibit D-1, Defendant's Discovery Read-Ins of Jörgen Bodum, Tab 5, page 24, line 5).

[95] As indicated at paragraphs 57-59, the prior art shows that double wall glasses existed before 2003. In fact, the evidence demonstrates that the existence of double wall glasses goes back as far as the 19th century (Michel Morand's Expert Report, paragraph 22). The evidence also demonstrates that the pre-2003 glasses—including one prior art glass that goes back to 1897—had configurations and proportions very similar to the industrial designs in question.

[96] The courts have held that to be registrable, an industrial design must be substantially different from prior art. A simple variation is not sufficient. The Supreme Court of Canada stated this principle in 1929—a principle that is still in effect today—in *Clatworthy & Son Ltd v Dale Display Fixtures Ltd*, [1929] SCR 429, at page 433. The Supreme Court of Canada remarked that opening the door to a simple variation would as a result paralyze the market:

> ... It must be remembered, however, that to constitute an original design there must be some substantial difference between the new design and what had theretofore existed. A slight change of outline or configuration, or an unsubstantial variation is not sufficient to enable the author to obtain registration. If it were, the benefits which the Act was intended to secure would be to a great extent lost and industry would be hampered, if not paralyzed. ...

[97] In 1985, in *Bata*, above, at page 347, Justice Reed pointed out that, to be registrable, the designs in question must show originality, that is, there needs to be a spark of inspiration. The Court adopts Justice Reed's comments:

> The jurisprudence demands a higher degree of originality than is required with regard to copyright. It seems to involve at least a spark of inspiration on the part of the designer either in creating an entirely new design or in hitting upon a new use for an old one. ...

[98] By comparing the prior art submitted into evidence and the industrial designs in question, by focussing on lines and by ignoring the manufacturing processes, materials used and colours (*Bata*, above, page 345), the Court finds that the designs do not vary substantially. Even though Mr. Perez, the President of Bodum USA Inc., testified that the inspiration for industrial design 107,736 (TX-1 and Exhibit glass TX-198) came from a sake bowl that Jörgen Bodum apparently saw in Japan—Jörgen Bodum did not testify at the trial—the evidence nevertheless demonstrates that the field of glassware, like the fields of shirt collars and shoes, is a field that has existed for a long time. They are articles used daily and, therefore, the difference must be marked and substantial (*Le May v Welch*, (1884), 28 Ch D 24, (CA) at pages 34-35, cited in *Bata*, above, at page 348). On that point, the expert witness, Mr. Morand, testified that [TRANSLATION] "glasses have indeed existed for thousands of years and all shapes have already, for the most part, been explored in the same way as shown by other prior art" (Examination, Michel Morand, T29—May 24).

[99] For these reasons, the Court is of the opinion that the industrial designs in question do not meet the criteria defined by the jurisprudence entitling them to registration. As a result, the industrial designs in question do not satisfy the requirement of substantial originality and, consequently, they are not entitled to the protection set out in the Act and must be expunged from the register.

• • •

X. Conclusion

[101] In conclusion, the Court dismisses the plaintiffs' infringement action and allows Trudeau's counterclaim of invalidity. Consequently, the industrial designs in question must be expunged from the register.

Given the requirement of "substantial originality" applied in *Bodum*, is there more scope for industrial design protection in "newer" fields—for example, consumer electronics—than in fields such as glassware, shirt collars, and shoes? Does this present a problem? Is the "informed consumer" the same as the "ordinary consumer in a hurry" from trademark law (discussed in Chapter 4)? If not, why not?