

LEPIN, a Chinese take on LEGO – How many Intellectual Property rights are potentially infringed?

1. Introduction

Following a recent (January 25, 2017) report on the BBC into [Chinese LEGO Copycats](#) where the head of LEGO China failed to identify a genuine LEGO mini-figure when also presented with a copycat article, we investigated the ease and cost of obtaining such a copycat product in the UK.

A copycat LEGO product was purchased from a well-known website for directly sourcing products from China. The selected product was branded **LEPIN STAR WARS MICROFIGHTERS SERIES3**. The kit cost £2.34 and postage was £0.69. The estimated delivery time was 30-50 days.



Figure 1 Packaging of LEGO (left) and LEPIN (right).

To compare, a genuine **LEGO STAR WARS MICROFIGHTERS SERIES3** was purchased from the online store of a well-known UK high street store for £8.99 and £3.95 postage (estimated 2 day delivery time). It is notable that the postage of the genuine article is greater than the total cost of the counterfeit.

2. Comparison

Once both products had arrived there were immediate and obvious differences. The genuine LEGO arrived in a cardboard box, whereas the LEPIN was packaged simply in a plastic bag (Figure 1 above).



Figure 2 Internal packaging of LEGO (left) and LEPIN (right) products.

Inside each package were smaller packs of building bricks and an accompanying leaflet. The LEPIN product comprises some components that had not been detached from their injection moulded frame.

Once each of the two models were built the similarities were striking as well as the lengths the producers of the LEPIN went to in creating a near identical copy (there were differences, this does not appear to simply be the same product that has “fallen off a lorry” from the LEGO factory).

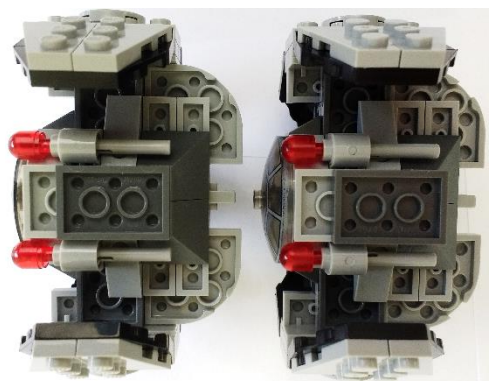
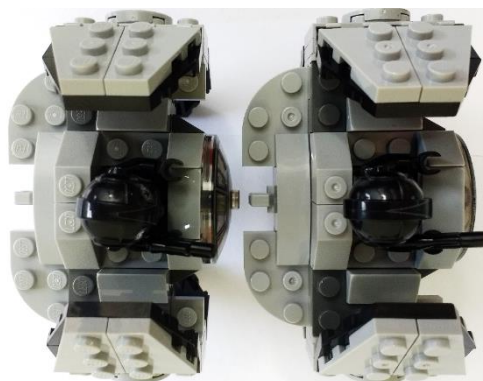
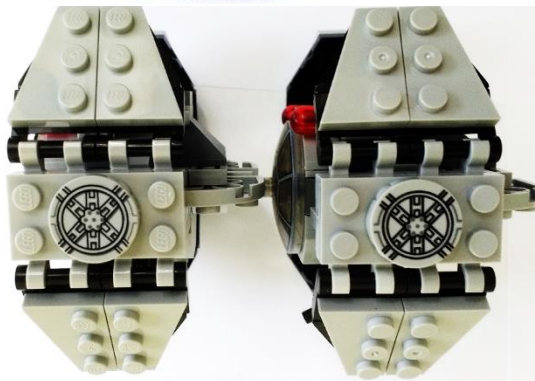


Figure 3 Comparison of the LEGO (left) and LEPIN models (right).

There were very minor differences between the two kits, most notably:

- The printing on the LEPIN kit was less refined and a lower resolution than on the LEGO.
- The translucent disk on the front of each kit are tinted slightly different colours, the LEPIN is more grey compared to the LEGO brown.
- The legs of each mini-figure are attached differently, the LEGO character has a split pin to prevent the legs detaching, whereas the LEPIN mini-figure's legs readily detach from the body.
- The missiles are slightly different lengths (34.95 mm LEGO vs 34.49 mm LEPIN). This may not seem much, but is readily perceived when handling the two different missiles.
- The design of the red-missile tips are different, the LEGO tip comprises an external lip which doesn't appear on the LEPIN red tip.
- The LEPIN kit comprised two extra guns of different designs that were not part of the LEGO kit.



Figure 4 Differences between the LEGO (top) and LEPIN (bottom) missiles. Note the lip on the red tip of the LEGO missile.



Figure 5 Differences between the LEGO (left) and LEPIN (right) mini-figures. Note the detachable legs on the LEPIN mini-figure.

3. Patents

A cursory search of the European and UK patent registers reveals:

- Lego A/S had 109 UK or EP patent applications published between 1997 and 2017.
- Lucasfilm Entertainment Company had 4 UK or EP patent applications published between 1997 and 2017.
- Disney Enterprises, Inc. (who may have an interest in the LEGO STAR WARS range due to their [acquisition of Lucasfilm](#)) had 224 UK or EP patent applications published between 1997 and 2017.

Any of the above patent applications, which are less than 20 years old, may have become granted and may currently be in force. For brevity this report does not investigate whether the LEPIN product falls within the scope of any granted rights arising from the above identified applications.

It should be noted that there may be further patent rights either in the form of pending international applications which have not yet entered the UK or European phase, or newly filed applications which are not as yet published.

4. Trade marks

Performing a cursory search of the UK and EU trade marks registers for rights owned by Lego A/S or Lucasfilm Entertainment Company Ltd. LLC (at the time of writing no rights owned by Disney were identified) yielded many trade marks. Only the most pertinent are reproduced below:

4.1. Marks Owned by LEGO Juris A/S

4.1.1. EM39834



This European Union registered trade mark comprises the text **LEGO** in white capital letters in black and yellow outline inside a red box. The mark is registered for Games and Playthings in class 28.

4.1.2. EM2829463



This European Union registered trade mark comprises the text **LEGO** in capital letters in black and yellow outline inside a red box. The mark is registered for Games and Playthings in class 28.

European Union trade marks are infringed by the use of a similar mark for similar goods where there is a risk of confusion on the part of the public.

While the goods here are identical (the LEPIN product is a plaything), the marks are arguably dissimilar. Placing each side by side:

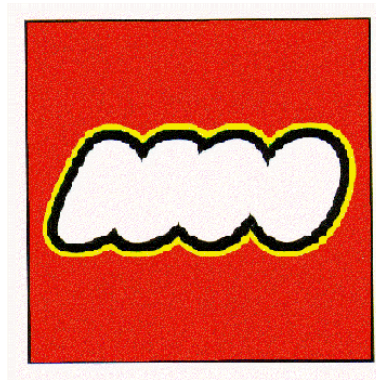


Figure 6 Side-by-side comparison of the LEGO and LEPIN logos.

The dominant distinctive element of both of the above LEGO marks is the text LEGO –this contributes the most to the distinctive character of the marks and will be what the average consumer would rely on to differentiate different undertakings. The text LEPIN is phonetically dissimilar (take the second syllables “-PIN” vs “-GO”), visually dissimilar (due to the spellings), and conceptually dissimilar as LEPIN has no meaning in the English language whereas LEGO is synonymous with children’s building blocks.

The above trade mark registrations are therefore arguably not infringed by the mark **LEPIN**.

4.1.3. EM50492

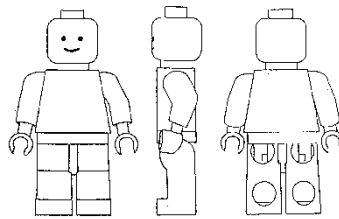


This expired European Union registered trade mark is for a blank space outlined in undulating black and yellow lines on a red box. The mark is registered for Games and Playthings in class 28.

This registration has expired, and therefore cannot be enforced against the manufactures of the LEPIN product. However, had it been in force, the LEPIN product arguably uses a similar mark (the red square with yellow and black undulating lines bounding a white area). The marks are therefore similar. As both goods are playthings, the goods are identical.

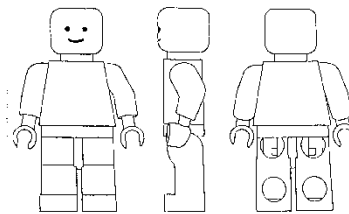
As the marks are very similar, and the goods identical, it is likely there would be a risk of confusion on the part of the public. The above trade mark would therefore have likely been infringed if the renewal fees had been paid and the registration maintained.

4.1.4. EM50450



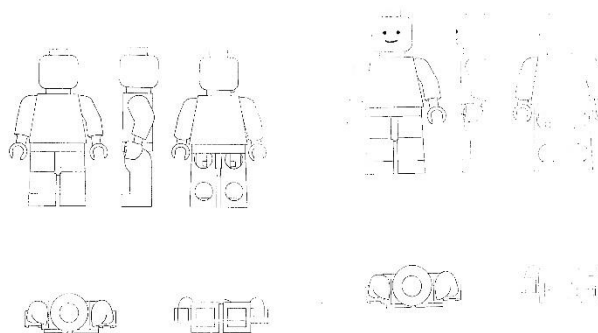
This European Union registered trade mark is for the 3D representation of a mini-figure. The mark is registered for Games and Playthings in class 28.

4.1.5. EM50450



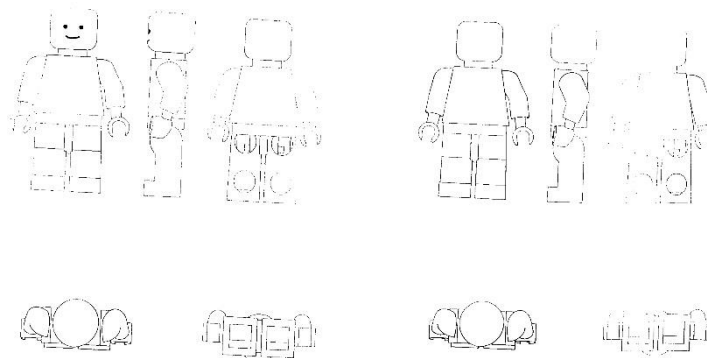
This European Union registered trade mark is for the 3D representation of a mini-figure with an alternative head shape. The mark is registered for Games and Playthings in class 28.

4.1.6. UK2054091



This United Kingdom registered trade mark is for the 3D representation of a mini-figure. The mark is registered for Toy construction kits in class 28.

4.1.7. UK2054094



This United Kingdom registered trade mark is for the 3D representation of a mini-figure with an alternative head shape. The mark is registered for Toy construction kits in class 28.

The above 3D figure trade marks would be infringed by the use of a similar 3D shape for similar goods where there is a risk of confusion on the part of the public.

As the LEPIN product is a plaything/toy construction kit, the goods are identical. The LEPIN mini-figure is highly similar in shape, differing only in the facial expression of the character (grim faced rather than smiling), and having a hollow stud at the top of the head.

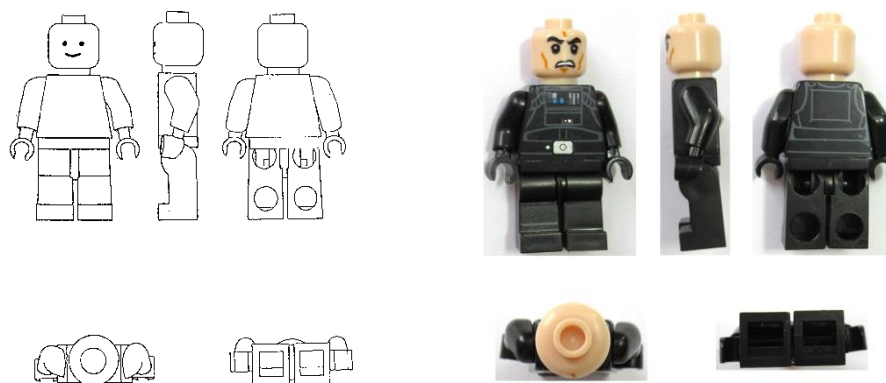
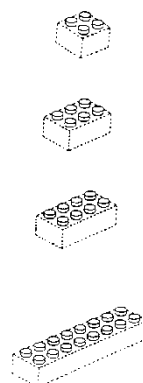


Figure 7 Comparison of LEGO (left) mini-figure trade mark registration and LEPIN (right) mini-figure.

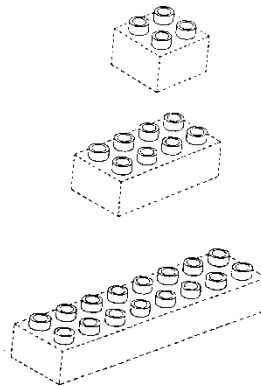
As the marks are very similar, and the goods identical, it is likely there would be a risk of confusion on the part of the public. The above 3D figure trade marks are therefore likely infringed.

4.1.8. UK1355423



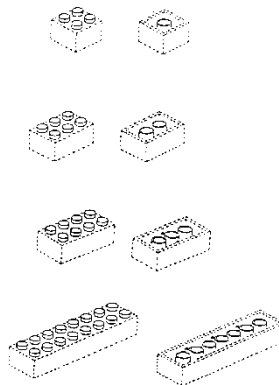
This United Kingdom registered trade mark is for “a pattern of four raised knobs or studs; or six raised knobs or studs; or eight raised knobs or studs; or sixteen raised knobs or studs applied to the upper surface of a toy brick”. The mark is registered for “Toys, games and playthings, all included in Class 28; but not including building bricks”.

4.1.9. UK1355423



This United Kingdom registered trade mark is for “a pattern of four raised knobs or studs; or eight raised knobs or studs; or sixteen raised knobs or studs; applied to the upper surface of a toy brick”. The mark is registered for “Toys, games and playthings, all included in Class 28; but not including building bricks”.

4.1.10. UK1355433



This United Kingdom registered trade mark is for “a pattern of four raised knobs or studs arranged in a pattern or two rows of two and on the underside a hollow recess into which one tube is set; or six raised knobs or studs arranged in a pattern of two rows of three and on the underside a hollow recess into which two tubes are set; or eight raised knobs or studs arranged in a pattern of two rows or four and on the underside a hollow recess into which three tubes are set; or sixteen raised knobs or studs arranged in a pattern of two rows of eight and on the underside a hollow recess into which seven tubes are set; all applied to the surfaces of a toy brick”. The mark is registered for “Toys, games and playthings, all included in Class 28; but not including building bricks”.

The above 3D brick trade marks are arguably infringed by the use of a similar 3D shape for similar goods where there is a risk of confusion on the part of the public.

Note that the registrations exclude “building bricks”. There is a point of interpretation here as to the definition of a building brick –does this mean child’s blocks for building models or concrete and clay bricks used in the construction industry.

As the LEPIN product is a plaything regardless, the goods are arguably identical. The LEPIN kit does comprise parts with patterns of six/eight raised studs, and are therefore identical to those registered in the above.

As the marks are identical, and the goods arguably identical, it is likely there would be a risk of confusion on the part of the public. The above 3D figure trade marks are therefore likely infringed.

However, there is also a strong argument that the above registrations are invalid. In European Court [Case C-48/09 P](#) it was found that an application for the 3D shape of a brick should be refused as the shape of the mark was essential in order to perform a technical function and is therefore ineligible to be registered as a trade mark. It is therefore arguable that the above registrations are invalid for at least the same reason.

4.2. Marks Owned by Lucasfilm Entertainment Company Ltd. LLC

4.2.1. [EM175380](#)

STAR WARS (word mark)

This European Union registered trade mark is for the text **STAR WARS**. The mark is registered for Games and Playthings in class 28.

4.2.2. [UK1080100](#)

“STAR WARS” (word mark)

This United Kingdom registered trade mark is for the text “**STAR WARS**”. The mark is registered for Toys and Games (other than playing cards) in class 28.

4.2.3. [UK1210447](#)

STAR WARS (word mark)

This United Kingdom registered trade mark is for the text **STAR WARS**. The mark is registered for kits of parts included in Class 28 (sold complete) for making toy models in class 28.

The above word trade marks would be infringed by the use of similar text for similar goods where there is a risk of confusion on the part of the public.

As the LEPIN product is a plaything/toy/kit of parts for making models, the goods are identical. The LEPIN **STAR WNRS** mark is phonetically similar to **STAR WARS** (both start with the word star and end with an S). The marks are visually similar (being only 1 letter different). The substituted letter N in the mark **STAR WNRS** is visually similar to the letter A in the mark **STAR WARS**, as both have two upright parts and a cross-member. The marks are conceptually dissimilar as **STAR WARS** alludes to a struggle in space, whereas **STAR WNRS** is abstract and devoid of meaning. That said, given the phonetic and visual similarities, there is a risk of confusion on the part of the public. The above word trade marks are therefore likely infringed by the use of the mark **STAR WNRS**.

5. Passing Off

Passing off is a UK (or Irish) common law tort that protects unregistered trade mark rights. Marks denoted with **tm** (or not) are normally unregistered marks, the use of the **tm** symbol by a rights owner denotes that the mark is intended to be a trade mark even if not registered.

Passing off is a separate cause of action in addition to registered trade mark infringement and often accompanies an action for registered trade mark infringement. For conciseness, only unregistered marks are considered in this report.

On the LEGO box there are a number of marks labelled with tm including:

TIE Advanced Prototype™

TIE PILOT™



Figure 8 Figurative form of the STAR WARS mark as it appears on the LEGO product.

Of these LEPIN only use the similar mark shown below:



Figure 9 Figurative form of the STAR WNRS mark as it appears on the LEPIN product.

To be successful in a claim of passing off Lucasfilm Entertainment Company Ltd. LLC would need to establish:

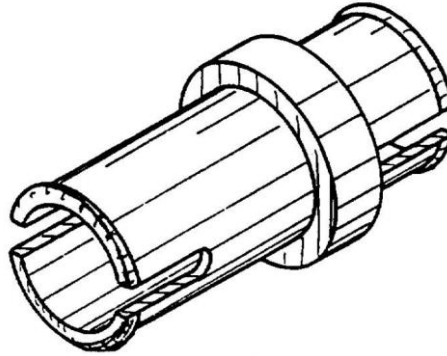
1. That they had built up good will and reputation in the unregistered **STAR WARS** (figurative) mark. This could be for example, through sales of toys bearing the mark.
2. That the use of the **STAR WNRS** (figurative) mark would be a misrepresentation and cause confusion in the market place. This seems plausible as the marks are visually very similar, start and end with the same letters, and are only one letter different.
3. That, as a result of the misrepresentation, damage would arise to the goodwill. This also seems likely due to the similarity of the products.

It is therefore likely that Lucasfilm Entertainment Company Ltd. LLC would be successful in a passing off claim against the importers of the LEPIN product.

6. Registered Designs

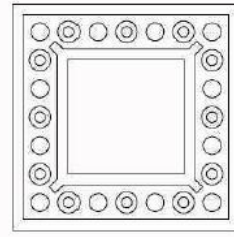
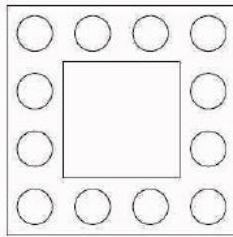
6.1. Designs Owned by LEGO Juris A/S

6.1.1. GB2050386



This United Kingdom registered design is for the shape and appearance of a toy building element.

6.1.2. EM001076178-0013



This Community registered design is for the shape and appearance of an element for a building toy.

Registered designs are infringed by using any design that does not produce a different overall impression on an informed user. Given the LEPIN product used parts which are identical to the above designs it appears that registered design infringement has occurred.

That said, there are a number of exclusions to registered design right including:

- Only new aspects of the design can be protected.
- Elements of a design that are dictated by their function, must cooperate with other parts, or must aesthetically match other parts are excluded from protection.
- The design must be visible during normal use.

Therefore, only the new aspects of the LEGO designs are valid (e.g. runs of 3x1 studs are known from older LEGO sets, but the arrangement in a 4x4 hollow square is new). The studs themselves are also excluded from protection as these must fit other earlier building blocks.

There is potentially a debate over whether the designs are visible during normal use. This is certainly the case in the construction stage of the product where each part is visible. Once the final toy is assembled, if it is never deconstructed, the part is arguably no-longer visible during normal use, and therefore potentially excluded from protection. However, as the toy is a kit, normal use is likely to include assembly and disassembly.

7. Unregistered Design right

UK unregistered design right arises automatically from the date the design was first recorded or put on the market and lasts, in the UK, the shorter of the end of 15 calendar years from the date of first recordal or the end of 10 calendar years from the date of first sale.

There is also Community Unregistered Design right which is very similar to UK unregistered design right. However, this only lasts 3 years from the date of first disclosure in the EU.

The LEGO box comprises a copyright notice dated 2016 which may establish the date of the product. It is therefore reasonable to assume, providing the design was not recorded more than 15 years ago, that the product is protected by unregistered design right.

Unregistered design right is infringed by copying the design of an article substantially according to the original design. Given that the LEPIN model only differs in minor details this appears to be the case.

However, there are significant exclusions to unregistered design right, as features of an object that are required to 'fit' with other objects to perform its function (e.g. the points of fixture of one building block to another). Furthermore, the right only extends to original designs (i.e. new and not already common place in the market).

Unregistered design right can therefore only extend to parts of the LEGO product that are bespoke to that particular model, and exclude the fixture points of those parts which allow them to be connected to other parts of earlier designs. Surface decoration is also excluded.

Of the LEGO product the only obvious elements which are eligible for design right are the new elements of the mini-figure's helmet (noting that, at a cursory glance, it appears similar to known helmet styles), the front plastic disc (less the surface ornamentation, less the fixing point), and the overall shape of the whole assembled product.

Design right, in this instance, is likely to be difficult to enforce due to these exclusions.

8. Copyright

Copyright is infringed where a substantial part of a copyright work is reproduced without the owner's permission. A copy need not be a 1:1 scale reproduction. If a substantial part is reproduced, an infringement may be present (*Temple Island Collections Ltd v New English Teas* [2012] EWPC).



Figure 10 Image from front of LEGO (left) and LEPIN (right) products.

The LEPIN pack image is a restaged version of the LEGO image, there are differences as follows:

- The toy depicted in the LEPIN image does not have the text LEGO written on each stud.
- The explosions in the top right of the image are different with debris in different locations.
- The sparks emanating from the missiles are different.

However, the images both present substantially the same intellectual creation, i.e. similar building block toys arranged at an angle, in a space scene, flying away from an explosion and launching two missiles. The LEPIN scene, while not being an identical 1:1 scale copy of the LEGO scene does substantially reproduce the intellectual creation of the LEGO scene. It is therefore highly likely to constitute copyright infringement.

9. Enforcement

Depending on the agreements in place between LEGO, Lucasfilm, and Disney, they can take action individually or together against the importers of the LEPIN product.

Note that intellectual property rights are territorial, a granted UK patent cannot be enforced against a manufacturer in China (unless the manufacturer is importing an infringing product into the UK).

The first stage to this is actually identifying the party responsible for the importation of the LEPIN product into the UK (answering the question “who do you sue?”).

Once an alleged infringing party has been identified the rights owners typically initiate proceedings by issuing a cease and desist letter, which in some instances is sufficient to deter further infringement.

If a cease and desist letter is ineffective, the parties engage in pre-action protocol where the rights owners outline the case to be answered by the alleged infringing party, and provide that party an opportunity to respond.

If further action is required then court action can be issued in either the Intellectual Property Enterprise Court (IPEC) or the High Court depending on the quantum of damages sought (up to £500,000 in IPEC, and unlimited in the High Court).

The parties may alternatively reach a settlement outside of court through the use of alternative dispute resolution (such as mediation or arbitration). Such alternative dispute

resolutions remain confidential between the parties, and may not be the preferred route of large clients who wish to have a published decision as a warning to other would-be infringers.

Should the parties go to court then potential remedies include:

- Injunction against further infringing acts (e.g. to halt importation).
- A declaration of infringement.
- Damages for lost sales.
- Account of profits.
- Delivery up of infringing goods.
- Order for erasure of infringing registered trade marks.
- Order for destruction of infringing goods.

10. Conclusions

It is inexpensive and easy to obtain the LEPIN product in the UK. LEPIN have clearly gone to great efforts to reproduce the LEGO product, whilst making attempts to avoid infringement. Regardless, the LEPIN product may infringe any of the following rights:

- UK and EU patents.
- UK and EU registered trade marks.
- Passing off.
- UK and Community registered designs.
- UK and Community unregistered designs.
- Copyright.

The EUIPO estimate that [€1.4 Billion in revenue per year is lost](#) due to the sale of counterfeit toys and games. This area is clearly big business and rights holders will be keen to ensure their brands and products are protected, especially as the lack of a CE or BSI kite mark on the LEPIN product means that quality of LEPIN toys cannot be guaranteed.

Recent [news articles](#) point to the use of unsafe materials for toy construction in China and it is unclear whether LEPIN is made from virgin or recycled materials. Parents can be confident that the genuine LEGO product meets the minimum safety standards set in our society as the product does bear the CE mark.

From the above it can be plainly seen how LEGO Juris A/S and Lucasfilm Entertainment Company Ltd. LLC have both built up a thicket of intellectual property rights even around this single, small product. While LEPIN have made attempts to circumvent, and indeed probably succeed in circumventing one or two of the rights, their product fails to avoid all of the rights.

As the original patents and designs on LEGO products have long since expired (patents last for 20 years, designs for 25 years), previously patented LEGO kits and LEGO designs pre-dating 1992 are free to use. It is therefore perfectly possible for competitor products to exist in the market place which don't infringe any current intellectual property rights, for example Mega Bloks® (European Union trade mark no. EU004787751) and Wilko Blox® (UK trade mark no. UK3159101).



Figure 11 LEGO competitors who coexist in the marketplace.

If you wish to know how to protect your rights please contact one of our European or Chartered Patent or one of our European or Chartered Trade Mark Attorneys. We will be able to tell you what rights are available to you and how to secure your products in a thicket of different of Intellectual Property rights.

Alternatively, if you wish to create a product and are concerned about what rights a competitor may have and how to avoid infringement, we can conduct searches and provide infringement assessments to ensure you avoid infringement.

Franks & Co

15 Jessops Riverside
Brightside Lane
Sheffield
S9 2RX

T: +44 (0)114 249 9888

F: +44 (0)114 249 9666

E: franksco@franksco.com

Franks & Co (South)

Carlton House
26 Billing Road
Northampton
NN1 5AT

T: +44 (0)1604 632436

F: +44 (0)1604 626128

E: northampton@franksco.com

Franks & Co (Mancunium)

Cheadle Place, Cheadle Point
Stockport Road, Cheadle
Manchester
SK8 2JX

T: +44 (0)161 820 2891

F: +44 (0)114 2499666

E: manchester@franksco.com

www.franksco.com

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