

Neutral Citation Number: [2013] EWPC 29

Claim No: CC13P00523

IN THE PATENTS COUNTY COURT
INTELLECTUAL PROPERTY

Date: 5 June 2013

Before :

Mr Recorder Baldwin QC

Between :

SATCO PLASTICS LIMITED

Claimant

and

1. SUPER PACK LIMITED

**2. WING HONG AND COMPANY
LIMITED**

Defendants

Colin Challenger (instructed by Everatt's) for the **Claimant**

Jonathan Hill (acting under the Bar's Public Access Scheme) for the first **Defendant**

Hearing date: 23 May 2013

JUDGMENT

I direct that no official shorthand note shall be taken of this judgment and that copies of this version as handed down may be treated as authentic.



Dated 5 June 2013

1. This is an action for infringement of unregistered design rights alleged to subsist in a number of features of plastic microwave containers. The letter before action is dated 20 June 2012 and the Claim Form and Particulars of Claim are dated 27 July 2012. Although the Claimant has known since at least July 2012 that the products complained of were manufactured overseas, secondary infringement by importation or sale has not been pleaded and is not relied upon¹.
2. The initial case presented against the Defendants also included allegations of passing off. This case appears to have been abandoned as a result of orders made at a directions hearing; it was not pursued at the trial. On 28 August 2012 the action against the second Defendant was stayed until the court directs otherwise, and the trial proceeded against the first Defendant only.
3. The claim raises the question of whether the manufacture of articles overseas can amount to primary infringement of UK unregistered design right.
4. The relevant sections of the Copyright Designs and Patents Act 1988 (CDPA) include:

213.— Design right.

(1) Design right is a property right which subsists in accordance with this Part in an original design.

(2) In this Part “design” means the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article.

(3) Design right does not subsist in—

(a) a method or principle of construction,

(b) features of shape or configuration of an article which—

(i) enable the article to be connected to, or placed in, around or against, another article so that either article may perform its function, or

(ii) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part, or

(c) surface decoration.

(4) A design is not “original” for the purposes of this Part if it is commonplace in the design field in question at the time of its creation.

¹ Secondary infringement was relied upon in the Claimant’s skeleton argument but was not pursued at the hearing.

226.— Primary infringement of design right.

(1) The owner of design right in a design has the exclusive right to reproduce the design for commercial purposes—

(a) by making articles to that design, or...

(2) Reproduction of a design by making articles to the design means copying the design so as to produce articles exactly or substantially to that design, and references in this Part to making articles to a design shall be construed accordingly.

(3) Design right is infringed by a person who without the licence of the design right owner does, or authorises another to do, anything which by virtue of this section is the exclusive right of the design right owner.

227.— Secondary infringement: importing or dealing with infringing article.

(1) Design right is infringed by a person who, without the licence of the design right owner—

(a) imports into the United Kingdom for commercial purposes, or...

an article which is, and which he knows or has reason to believe is, an infringing article.

228.— Meaning of “infringing article”.

(1) In this Part “infringing article”, in relation to a design, shall be construed in accordance with this section.

(2) An article is an infringing article if its making to that design was an infringement of design right in the design.

(3) An article is also an infringing article if—

(a) it has been or is proposed to be imported into the United Kingdom, and

(b) its making to that design in the United Kingdom would have been an infringement of design right in the design or a breach of an exclusive licence agreement relating to the design.

255.— Countries to which this Part extends.

(1) This Part extends to England and Wales, Scotland and Northern Ireland.

(2) Her Majesty may by Order in Council direct that this Part shall extend, subject to such exceptions and modifications as may be specified in the Order, to—

(a) any of the Channel Islands,

(b) the Isle of Man, or

(c) any colony.

5. Counsel for the Claimant's main submission is that manufacture in China or elsewhere overseas of articles exactly or substantially to a design in which rights subsist pursuant to s. 213 of the CDPA amounts to an infringement under s. 226 for which relief can be granted, and that the matter is as simple as that. However, if right, this submission would have a very far reaching effect. Indeed, it is likely, that it would have been the subject of some comment by legal writers. Counsel was unable to show me any authority or any academic or text book writings which supported his submission² and in my view it is flawed and I reject it. It seems to me to be inconsistent with the definition of infringing article in s. 228(3) and to fly in the face of s. 255 which prescribes the countries to which the relevant sections extend, as well as to the long and well-established tenet that intellectual property rights of the kind in issue are territorial.
6. Counsel's fall back submission is that there is primary infringement of design right if there is manufacture overseas of an article exactly or substantially to a design with the sole intent of importing the manufactured articles into the United Kingdom. Furthermore, counsel submitted that when I came to analyse the facts I should find that the first Defendant has behaved unhelpfully in the context of attempts to resolve or get to the bottom of the dispute and that I should take this into account when considering whether the manufacture overseas was with the sole intent of importing into the United Kingdom. Again, counsel was unable to show me any authority or academic writings which supported his submission.
7. I reject this fall back submission of the Claimant. It goes nowhere towards overcoming my reasons for rejecting the main submission. Furthermore, primary infringement of intellectual property rights such as design rights and copyrights is, once sufficient copying has been established, not generally dependent on the motive of the perpetrator of the acts complained of.
8. Since it is common ground that all the allegedly infringing items were made overseas, the action, being based only on allegations of primary infringement of unregistered design right, must, in my judgment, fail.

² the standard texts support the opposite

9. Since I heard evidence and argument upon whether or not the features in the plastic containers complained of were copied from the Claimant's products, I shall go on to make findings in that respect. I refer to the Claimant's containers as Satco containers and the first Defendant's containers as Super Pack containers.
10. By §3 of the Particulars of Claim it was alleged that the Satco containers and lids contained 10 design features and §6 alleged that the same or substantially the same features were present in the Super Pack containers, and that such had come about by the Defendants' deliberate copying. At the hearing before me all but 3 of the 10 pleaded features were abandoned, counsel for the Claimant accepting that the other 7 features were not aspects of shape or configuration at all.
11. The 3 features which remain were described in §3 of the Particulars of Claim as follows:
 - 11.1. "Satco's microwave container has a nesting feature appearing below the lip of the container, which consists of three columns, which enables the easy separation of the microwave boxes when they are stacked together. The first and/or second Defendant's containers have two such columns. The Claimant is unaware of any other Microwave Oven Food Containers available in the UK market, which has this feature, which is unique to Satco's Microwave Container."
 - 11.2. "The slightly indented hollowed out groove appearing at the bottom of Satco's Microwave Container has been copied by the first and/or second Defendant."
 - 11.3. "The centre of Satco's Microwave Container lid contains a rectangular groove, which the first and/or second Defendant has copied."
12. The first of these features was called the nesting feature and the second and third the stacking feature. The nesting feature comes into play when the containers are empty and are nested together when stacked. The stacking feature comes into play when the containers are full and stacked; the upward facing groove in the lid of one container cooperates with the indented groove on a container placed on top of it.
13. According to the Claimant, the design features relied upon came about as follows. In about 2006 the overall shape and configuration of 500ml, 650ml and 1000ml

plastic microwave containers was commonplace. However this commonplace shape had two disadvantages; the first was that a nest of empty containers was not easily separated by an operator using only one hand and the full containers, when stacked, were not very stable. According to Mr Asaria of the Claimant, he arranged for the incorporation of the nesting columns into each of the four corners of the lip and for the incorporation of cooperating stacking grooves into the lid and base respectively, and it appears that this was done to a copy of a third party microwave container which did not have these advantageous aspects. The first Defendant put into evidence this third party container and it does appear to me to have been the basis for the Satco container.

14. Turning to the Super Pack container, it is clear that two columns are present at each of the four corners of the lip of the container and that they facilitate the easy release of a number of nested empty containers. It is also clear that the stacking feature present in the Satco product is not shown by the Super Pack container, not least because the groove in the lid is downward facing so that it cannot cooperate with any recess in the base of a container placed on top of it.
15. With respect to the main body of the Super Pack container, it seems to me to be clear that this was not copied from the Satco container. Thus the radii of curvature at the 4 corners of the rectangular shape are noticeably different, as are the overall dimensions. These differences are in stark contrast to equivalent features in the Satco container and the container from which it was copied; these latter being identical in these respects. Having heard the evidence about the general state of the market about these sorts of containers both in 2006 (being the date of the Satco design) and in 2012 (being the date when the first Defendant's containers were discovered by Satco) I am satisfied that it is much more likely than not that the basic shape and configuration of the Super Pack container was not copied from the Satco container. That, of course, does not preclude copying of the features relied upon, but it makes it less likely since if there is going to be copying, it would be simpler to copy the whole thing.
16. Turning first to the lid aspect of the stacking feature where the Satco lid has an upturned groove and the Super Pack lid has a downturned groove, to my mind these design features are not sufficiently similar to raise an inference of copying. The evidence showed that the presence of grooves on container lids was by no

means uncommon and in all the circumstances I am far from satisfied that the downturned grooves on the Super Pack lid are a result of copying the Satco lid design with its upturned grooves.

17. With respect to the indentation on the base of the Super Pack container, it seems to me to be unlikely that this was copied from the Satco product since none of the rest of the container (excluding the nesting columns which I have not yet considered) was copied and no reason was suggested as to why there would be any point in copying this indentation. Not dissimilar indentations are found in a number of third party products and it seems to me that the feature on the base of the Super Pack container is more likely than not to be explained by something other than copying Satco.
18. Turning to the nesting columns, counsel for the Claimant submitted that it was important for him to establish that his client's system for efficient nesting worked satisfactorily whereas other third party nesting proposals did not work. This, he said, would show that there must have been copying. Although I did not find the logic of this argument particularly easy to follow, Mr Zhou of the first Defendant rose to it with glee. He produced (almost, but not quite, out of a hat) examples of third party containers with working nesting features. One of them, by a company referred to as PYD, had a nesting feature consisting of a single rib at each corner of the lip. Mr Zhou demonstrated its efficacy whilst giving evidence and a comparison of its performance as set against that of the Satco or Super Pack versions was impressive. With respect to this matter, counsel for Satco was content to let me decide for myself on the relative efficacy of the different products by experimenting with the samples that had been produced. Having done some trials, I am satisfied that Mr Zhou's demonstration was fair. Accordingly, the Satco design is not the only design which enables nesting with easy separation.
19. It is the case that each individual column of the Super Pack nesting feature is similar to the individual columns of the Satco design, but the columns themselves are not particularly special or sophisticated – they are merely half round protrusions about 6 mm long. Since I am far from satisfied that any other aspect of the Super Pack product was copied from the Satco product and since the Super Pack design consists of 2 columns at each corner of the lip compared with 3 in the

Satco design, I think it more likely than not that the Super Pack product was produced without copying anything from the Satco container.

20. I have reached the conclusion set out above without considering a piece of evidence which the first Defendant adduced fairly late in the day. That was evidence to the effect that the Super Pack product was manufactured in accordance with design drawings made in 2002 and that containers in accordance with that design had been on the market since that time. Satco challenged the authenticity of this evidence. They did so largely on the basis that they were very experienced in the market place and that had products been made and sold in accordance with the 2002 drawings then it is certain that they would have come across them. On the findings that I have made I do not need to resolve this dilemma. However, I am satisfied that if the authenticity of the 2002 drawings could be put in any doubt, then such has not come about as a result of anything done by the first Defendant. In my judgment the first Defendant put forward these drawings in the belief that they were genuine drawings which proved that the Super Pack product was not copied from the Satco product but was made from drawings which predate the Satco design.
21. Finally, and with respect to all three features relied upon by Satco, counsel for Super Pack relied on s. 213(3)(b)(i) of the CDPA – the must fit defence. He submitted that the columns of the nesting feature enable the container to be nested within another container and easily released therefrom and, accordingly, enable it to perform its function. He prayed in aid some observations in §45.32 of the 4th Edition of *The Modern Law of Copyright and Designs* (Laddie, Prescott and Vitoria) to support this argument but did not draw my attention to any authority. The argument is not straight forward for two reasons. First, the function of the article in question is, on one view, to provide a microwave container and the nesting feature has nothing to do with that function. Second, the particular shape and configuration of the Satco design is only one of many design solutions which provide satisfactory nesting. Since the point is not necessary for decision I do not need to express any view on the matter. The action is dismissed.
22. Regarding the action against the second Defendant, it seems to me to be appropriate to lift the stay of that proceeding and dismiss that action as well.