



9 March 2016

PRESS SUMMARY

PMS International Group Plc (Respondent) v Magmatic Limited (Appellant) [2016] UKSC 12
On appeal from: [2014] EWCA Civ 181

JUSTICES: Lord Neuberger (President), Lord Sumption, Lord Carnwath, Lord Hughes, Lord Hodge

BACKGROUND TO THE APPEAL

The founder of Magmatic Limited (“Magmatic”), Robert Law, won a prize in 1998 for a design of a ride-on suitcase for children. Mr Law subsequently updated the design and applied to register it at the Office for Harmonization in the Internal Market, who published it on 28 October 2003 as Community Registered Design No 43427-0001 (“the CRD”). The CRD consists of six images prepared by a 3D Computer Assisted Design (CAD).

Since May 2004, Magmatic has manufactured and sold ride-on suitcases for children under the trade mark ‘Trunki’ whose shape is very similar to the design shown on the CRD.

In February 2013, Magmatic issued proceedings seeking damages and an injunction against PMS International Limited (“PMS”), alleging that PMS were importing into, and selling in, the United Kingdom and Germany ride-on suitcases for children under the name ‘Kiddee Case’ which infringed the CRD.

At first instance, the judge, Arnold J, found, amongst other matters, that the Kiddee Case infringed the CRD. The Court of Appeal allowed PMS’ appeal. Magmatic now appeal to the Supreme Court.

JUDGMENT

The Supreme Court unanimously dismisses Magmatic’s appeal. Lord Neuberger gives the only judgment, with which the other Justices agree.

REASONS FOR THE JUDGMENT

Community Design Right is governed by Council Regulation (EC) No 6/2002 (“the Principal Regulation”), which provides that a design shall be protected to the extent that it is new and has individual character [7]. What matters is the overall impression created by it, and that potential customers will appreciate it on the basis of its distinctiveness [6, 10].

In considering an issue of this nature, an appellate court should not reverse a judge’s decision unless he has erred in principle [24]. The Court of Appeal decided that issue for itself and came to a different conclusion from the judge on the basis of three criticisms of the judge’s approach [16-22]. Therefore the essential question in this appeal is whether those criticisms were justified [26].

The first criticism was that the judge failed to give proper weight to the overall impression of the CRD as an animal with horns, which was significantly different from the impression made by the Kiddee Case, which were either an insect with antennae or an animal with ears [21]. The overall impression given by the CRD is indeed that of a horned animal; and the judge did not specifically refer to this

when comparing the CRD with the Kiddee Case [37]. A trial judge cannot be expected in every case to refer to all the points which influenced his decision, but when a judge has given a full and careful judgment, conscientiously identifying a significant number of points which weigh with him, an appellate court can properly conclude that his failure to mention an important point means that he has overlooked it. This was the case here [39].

The second criticism was that the judge failed to take into account the effect of the lack of ornamentation to the surface of the CRD [21], i.e. that the absence of decoration reinforced the horned animal impression [40]. This has limited force; unless it simply consisted of items such as eyes and a mouth, any decoration could well detract from the animal impression and even such items could be said to distract attention from the horns [41]. The Court of Appeal's second criticism was correct, although it is only a relatively minor point which mildly reinforces the first criticism [49].

The third criticism was that the judge ignored the colour contrast in the CRD between the body of the suitcase and its wheels [21]. He described the CRD as constituting a claim "evidently for the shape of the suitcase" and decorations on the Kiddee Case were therefore to be ignored [51]. The CRD consisted of CADs of an item whose main body appears as a uniform grey but which had black strips, a black strap and black wheels. The natural inference to be drawn is that the components shown in black are intended to be in a contrasting colour to that of the main body. Accordingly, the Court of Appeal was correct: the CRD claimed not merely a shape, but a shape in two contrasting colours [53] and the judge was wrong in holding that the CRD was simply a claim for shape [53].

Accordingly, the Court of Appeal were right to hold that the judge materially misdirected himself and could properly consider the question of infringement for themselves. As they approached the question of infringement on the correct basis in law, this Court should be very slow indeed to interfere with their conclusion that the Kiddee Case did not infringe the CRD [56]. The Court has sympathy for Magmatic and Mr Law, as the idea of the Trunki case was a clever one, but Design Right is intended to protect designs not ideas [57].

Magmatic contended that the second criticism raised the question whether the absence of ornamentation can as a matter of law be considered a feature of design and if so whether it was a feature of the CRD in this case [42]. Magmatic further argued, with the support of the Comptroller General of Patents Designs and Trademarks, that this question should be referred to the Court of Justice of the European Union as it is neither *acte clair* nor *acte éclairé* [42].

This Court rejects both arguments. The Court of Appeal was not raising a freestanding point that absence of decoration was a feature of the CRD [43]. In any event, it is not arguable that that an absence of ornamentation cannot be a feature of a CRD [44-48, 60]. As to the question of whether absence of ornamentation was a feature of the CRD in the present case, the Court of Appeal did not resolve this issue and it is unnecessary to do so in the present appeal [50]. Accordingly, no reference to the CJEU needs to be made, and the appeal is dismissed [59-61].

References in square brackets are to paragraphs in the judgment

NOTE

This summary is provided to assist in understanding the Court's decision. It does not form part of the reasons for the decision. The full judgment of the Court is the only authoritative document.

Judgments are public documents and are available at:

<http://supremecourt.uk/decided-cases/index.html>