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UK Supreme Court Wheels Out A Blow to Trunki

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In a decision that will be a disappointment to Community design right holders, the UK Supreme Court last week rejected an appeal by Magmatic Limited ("Magmatic"), the creators of the successful "Trunki" ride-on suitcases, against the Court of Appeal's earlier decision that PMS International Group Plc's ("PMS") ride-on "Kiddee Case" did not infringe its Community Registered Design ("CRD").

This judgment will serve as a reminder of the importance of careful and thorough consideration when registering designs.

Background

In 2003, Magmatic registered a CRD for its Trunki ride-on suitcase, consisting of a number of images prepared by 3D Computer Assisted Design ("CAD") which, notably, did not feature surface decoration and showed contrasting colours in certain components of the design (namely in the strap, strip and wheels of the design). By comparison, the allegedly infringing Kiddee Case featured surface decoration intended to make the case resemble an insect or animal.

Under Article 10(1) of the Community Designs Regulation[1], the scope of protection conferred by a CRD includes any design which "*does not produce on the informed user a different overall impression*". Any assessment of infringement will therefore necessarily consider the overall impression of the designs in question.

At first instance, Arnold J ruled that the Kiddee Case did not produce a different overall impression from the CRD and was therefore infringing. In its assessment, the High Court held that the proper comparison was between the shape of the CRD and the Kiddee Case, ignoring the surface decoration on the Kiddee Case.

PMS appealed to the Court of Appeal, arguing that the High Court had wrongly assessed the overall impression of the designs. The Court of Appeal considered that Arnold J had made two errors when considering the issue of infringement. First, Arnold J had not undertaken a global comparison between the CRD and the allegedly infringing design in that he had failed to see that the Trunki design was "*clearly intended to convey the impression of a horned animal*". Second, Arnold J had failed to take account of the colour contrast in the CRD which was simply not present in the Kiddee Case. Given these errors, the Court of Appeal was therefore free to form its own view on the infringement issue. Ultimately, the Court of Appeal considered that the overall impressions created by the Trunki and the Kiddee Case designs were different and held that PMS did not infringe Magmatic's CRD. Magmatic appealed the decision to the Supreme Court.

The Supreme Court decision

The Supreme Court unanimously dismissed the appeal, holding that the Court of Appeal had been right to overturn the first instance decision for the following reasons:

a. the High Court had failed to give proper weight to the overall impression of the CRD as a horned animal, which was different to the impression made by the Kiddee Case (which was that of an insect with antennae or an animal with ears);
b. the High Court had failed to take into account the effect of the lack of ornamentation on the surface of the CRD; and
c. the High Court had ignored the colour contrast in the CRD between the body and the wheels.

Taking each of the above points in turn, first the Supreme Court held that the Court of Appeal's view that the overall impression of the CRD was that of a horned animal was "*clearly right*" and agreed that this had been overlooked by the High Court at first instance.

Second, the Supreme Court considered the lack of ornamentation on the surface of the CRD. Agreeing with the Court of Appeal, the Supreme Court held that the lack of ornamentation on the surface of the CRD reinforced the horned animal impression made by the CRD. The Supreme Court did, however, play down the role of ornamentation in determining the overall impression of the Trunki and Kiddee Case designs, stating that the argument was of "*limited force*" and highlighting that "*unless the decoration had been positively distracting in nature, such as flashing lights, it would have been unlikely to have much effect in diluting the horned animal impression made by the CRD*".

Related to this point, Magmatic raised the question of whether absence of ornamentation can, as a matter of law, be a feature of a CRD and requested a reference of that question to the Court of Justice of the European Union. The Supreme Court refused the reference, holding that the issue did not arise in the appeal.

However, Lord Neuberger did comment on an obiter basis that "*the absence of decoration can, as a matter of principle, be a feature of a registered design*" but that "*if absence of ornamentation is a feature of a registered design, that does not mean that because an item has ornamentation it cannot, for that reason alone, infringe the registered design in question; it merely means that the fact that an allegedly infringing item has ornamentation is a factor which can be taken into account when deciding whether or not it does infringe that design*". Given the Court of Appeal did not consider the issue of whether absence of ornamentation was a feature of the CRD, the Supreme Court declined to rule on this point.

Lastly, addressing the argument that the colour contrast between the body and the wheels of the CRD was overlooked at first instance, the Supreme Court held that the Court of Appeal was correct to find that the CRD claimed not just a specific shape but a shape in two contrasting colours, represented as black and grey on the CAD images submitted as part of the CRD. The Supreme Court highlighted that it was a natural inference from Magmatic's decision to show certain components of the CRD in black, compared to the uniform grey of the main body, that those components of the CRD were intended to be a contrasting colour to the main body. Magmatic's argument that the wheels of the CRD were shown in black due to their function was swiftly rejected as unconvincing.

As the Supreme Court considered that the Court of Appeal had addressed the question of infringement correctly in law, the Supreme Court was unwilling to interfere with the earlier decision of the Court of Appeal that the Kiddee Case did create a different overall impression to, and therefore did not infringe, the Trunki CRD. Lord Neuberger did, nonetheless, comment that he would have reached the same conclusion, adding that this would have been with regret since the Trunki CRD seemed both original and clever but that, unfortunately for Magmatic, the appeal was "*not concerned with an idea or invention, but with a design*".

What does this mean for designers?

The Supreme Court ruling will be concerning to CRD holders as the implication of the ruling - though played down as a factor in the Supreme Court's decision - is that surface decoration may be considered an influencing factor in an infringement decision. While we think that the Supreme Court was ultimately correct in its legal analysis (at least insofar as this case is concerned), the effect of the decision might be that an alleged infringer could seek to embellish a design with surface decoration sufficiently so as to distract from the shape of the object and ultimately create a different overall impression to the CRD in question.

The judgment serves as a reminder of the importance of making thorough and considered design registrations. As was highlighted in the judgment, an applicant for a design right is entitled to submit any number of applications with any images he chooses, and the applicant must appreciate that it is those images which define the nature and extent of the monopoly right claimed. Just as protection conferred by a patent is limited to its claims, the protection conferred by a CRD is limited to what is shown in the registration.

Care must therefore be taken to ensure that any images submitted do not unintentionally limit the scope of protection of a CRD, for example, through needless use of contrasting tones/colours or photographs (which narrow protection by highlighting more features of the design, such as fabric). On this point, the Supreme Court commented that the broadest protection may be conferred by use of line drawings which show only the contours of the design and are therefore "*much more likely to be interpreted as not excluding ornamentation than a CAD image*".

A word of caution will therefore be in order for designers, and a change of registration practice may even be required for some.

In light of the Supreme Court's judgment, the UK Intellectual Property Office will be providing updated guidance to design right applicants, which will be reported on by this firm in due course.

Read the full judgment of the Supreme Court, *PMS International Group Plc* v *Magmatic Limited* [2016] UKSC 12.

If you have any questions or would like any further information, please do not hesitate to contact one of your Cooley team members or one of the lawyers identified here.

Notes

1. Council Regulation (EC) No 6/2002 on Community Designs

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