

Designs update

Tablet teachings: learning points from the latest *Apple v Samsung* decisions

The *Apple v Samsung* tablet design disputes have grabbed media headlines across Europe. For trademark counsel, there are a number of important takeaways

While it may have found favour in Germany, Apple has not been so lucky since then in suits in the United Kingdom and the Netherlands. In July 2012 the English Court of Appeal emphatically rejected its appeal against a High Court decision that Samsung's three Galaxy tablets (the 10.1, 8.9 and 7.7) did not infringe its Community registered design (CRD). The Court of Appeal further stated that as the UK court had made a prior final decision on infringement in its capacity as a Community design court, Apple's parallel German claim should not proceed (whether it will do so remains to be seen).

In November, Apple came in for considerable criticism from the same appeal court judges for failing to publish the correcting statement on its website and elsewhere in the precise form that they had specified. Apple's additional paragraphs contained errors and were held to be misleading. On January 16 2013, the Hague District Court – while concluding it did not have to follow the UK judgment – also found in Samsung's favour.

The July and November decisions, in particular, were widely reported, including in the mainstream media. This article seeks to identify some lessons to learn from the saga.

The lead judgment in the English infringement appeal decision was handed down by Sir Robin Jacob (coming out of judicial retirement), and gives a helpful summary of the law as it stands. However, except as regards clarifying the impact (if any) of branding features within a design, the decision has not changed it. The main points are as follows:

- The comparison must be between the design as used and that as registered. Apple relied on a registration dating back to 2004 (an "aeon ago in terms of computers", in the words of the Court of Appeal). That is key, since the scope of protection is determined purely by the drawing in the registration, which itself is not an image of the iPad as we now know it – or even as it was in 2004. The change that Apple made to the publicity statement was criticised for

confusing this issue.

- Such a comparison did indeed create a different overall impression for the informed user of tablets. Essentially (to borrow from Judge Colin Birss's terminology), Apple's 'fat but cool' look left a different impression from Samsung's 'thin but uncool' look. The latter differed sufficiently in terms of thickness, edge shape and lack of simplicity of the front and back.
- Words or branding within the allegedly infringing design can be taken into account, but only as regards their overall visual impact – that is, without ascribing any origin function or primary or secondary meaning to them.
- Claimants too can be ordered to publicise an adverse decision of the court at their expense. The Court of Appeal held that this was needed because of the confusion created by Apple's litigation in Germany and the publicity surrounding that. UK retailers and consumers needed to know that Samsung's tablets did not infringe.

The UK, German and Dutch decisions raise a number of interesting issues impacting on what should sensibly be registered, how and what protection it gives, plus who can be sued and with what publicity risks. This article looks at these in turn.

With the benefit of hindsight, Apple may have won if it had applied to register each version of the iPad as its design evolved from 'fat but cool' to 'thin and cool'. Even if the newfound thinness was arguably insufficient to avoid novelty and individual character attacks to any such registration, securing them would have been relatively cheap. If the changes had happened quickly over the space of one year, those versions could also have been protected in a single multi-design application, saving further on costs.

The English decision therefore encourages designers and their advisers to look beyond the immediate design drawing that is to be registered. Applicants should consider registering not just the design as it is, but also the design as it might be as technology evolves (eg, if future technology would allow for different dimensions or

looks). This helps to 'future-proof' the protection. However, this becomes almost an exercise in fantasy. Unlike for patents (which must be capable of industrial application) or trademarks (which need to be used within five years of registration), there is no requirement that what is drawn and registered be practical, or that it could ever work or indeed be put into production. It is just the look that is being protected.

In any event, the English decision encourages designers to regularly 'top up' their protection, even for designs that might at first seem just a workshop improvement. This is irrespective of whether the newer version can be validly registered. Either it can (since the variant is deemed sufficiently different from the original), in which case any copy of the newer version will infringe the valid registration for that design; or it cannot (since it creates the same overall impression as the original), in which case any copy of the newer version should infringe the original design anyway. The designer's bets on validity are thereby hedged and the copyist is faced with a classic squeeze.

Is ornamentation ignored in comparing shape design registrations?

Both the English Court of Appeal and the High Court held that ornamentation on the surface of the Samsung tablets (in the form of some branding) could not be completely ignored when making the comparison with Apple's registration. The Apple design was 'clean', but the Samsung design was seen as 'cluttered'. It seemed material that Apple had asserted that its design was "without any ornamentation". The courts were clear that they were not focusing on what that branding was, but simply that the informed user would notice it. This is controversial. In particular, the English and German appeal courts differed on this, and it may make this a point ripe for reference to the European Court of Justice (ECJ).

The German appeal court was particularly critical of Birss's earlier first instance decision because of this, and therefore chose not to follow it. The English Court of Appeal was equally emphatic in upholding Birss's decision on the point. However, this is hard to reconcile with the same court's decision issued some five years previously in *Procter & Gamble v Reckitt Benckiser*. In that case, both the lower court and the Court of Appeal had held that the decoration (which included branding) on the alleged infringing Air Wick canister made no difference: the overall impression was formed from the shape of the registered design and the alleged infringement. The

court considered as artificial any attempt to compare the decorated Air Wick canister with the undecorated line drawing of the Febreze canister. It held: “The registration is evidently for a shape. The proper comparison is with the shape of the alleged infringement. Graphics on that (or on the physical embodiment of the design) are irrelevant.”

The court’s comments in the *Febreze* case would suggest that a different outcome on this point might have been expected in the *Apple* case. Overall, however, it probably made little or no difference to the ‘fat but cool’ and ‘thin but uncool’ comparison.

The Dutch court concluded that it should favour and follow the English court’s decision. It noted that Apple had brought no new evidence or argument to justify re-examination of the decision.

Should you register front views only of product and packaging designs?

Contributing to Apple’s undoing in the English case (and therefore also the Dutch case) was the inclusion of the (clean and uncluttered) rear aspect of the tablet within the design registration. Subject to the thinness issue and validity, Apple may have had more success if the design showed just a 3D image of the tablet, omitting the reverse view. In many ways, this highlights the benefit of unregistered design protection (if not expired), in that the rights claimed can be tailored to the known infringement scenario. A recent example of this has been the English Patents County Court’s January 28 2013 decision in *Kohler Mira v Bristan*, in which a claim based on the registered design failed, but one based on a more narrowly defined unregistered design succeeded.

The question is whether the Apple decisions invite a rethink on how to register certain 3D designs. Consumer packaging is commonly protected in a single registration with photographs or drawings showing the front, back, sides, top and bottom views of the pack. However, if lookalike copyists were to argue as Samsung did, they may find a defence to infringement of any such registration by making the reverse (or side or top) aspects of their version sufficiently different from the equivalent aspects within the registration, even if the front is the same or very similar. In practice, it is the front view that commercially matters most in these things. That is what faces consumers on shelves or advertising. Given this and the Apple example, it is probably wiser to register just the front (being a photograph of the actual pack) as one registration and any other aspects, perhaps the back, as a separate registration, rather than as an additional

representation of the overall design within the one registration.

Forum shopping

Articles 91 and 95 of the EU CDR Regulation (6/2002) aim to avoid irreconcilable decisions within the European Union. These address the position where there has been an earlier decision of a Community design court involving the same cause of action and “the same parties”. Apart from aligning with Articles 27 and 28 of the Brussels I Regulation (44/2001), the CRD Regulation Recitals 29 and 30 further justify these provisions as being necessary for efficient enforcement of CRDs and to discourage forum shopping. Given this, and the fact that a CRD is the key right in the Apple case, why have three member state courts been actively involved (with each sitting as a Community design court)? The answer stems from the divergent interpretations made of the term “the same parties”.

The English Court of Appeal considered all of the actions parallel and pulled no punches in saying so. It was especially critical of Apple’s continued pursuit and enforcement of the German interim injunction, notwithstanding the earlier English High Court ruling on the merits that there was no infringement of the same registered design by the same product. Unusually, it was also openly critical of the German court for accepting jurisdiction to grant its injunction. It sought to reassert its judgment priority by getting Apple to undertake to have the German injunction lifted (or else face contempt action in the United Kingdom).

However, the German courts may not take too kindly to this. The German appeal court concluded that the UK action involved only Samsung’s UK subsidiary. In contrast, it was deciding a case involving Samsung’s Korean parent company and its German subsidiary. Therefore, while they may be related legal entities, they were not technically “the same parties” for the purposes of Articles 91 and 95 of the CDR Regulation or Articles 27 and 28 of the Brussels I Regulation. The English Court of Appeal saw this as “quite unrealistic commercially” and sought to pierce the corporate veil in the United Kingdom. Interestingly, the German courts had to do likewise in order to extend their jurisdiction to grant an injunction against Samsung’s Korean parent company. They did so by treating the German subsidiary as a branch of the Korean company.

The Dutch court agreed with the German court in concluding that the parties were

different. As a result, Article 95.2 of the CDR Regulation did not oblige it to reject the action. However, it also sought to uphold the spirit of Recitals 29 and 30 by focusing on the identity of the subject matter and causes of action to avoid irreconcilable decisions. It put the onus on Apple to show why the English decision should not be followed – for example, due to some local issue arising out of the different identity of the parties. Apple could not.

The Dutch court seems to have found the right balance. In particular, it has avoided an artificially broad interpretation of the legally clear concept of ‘the same parties’. Corporate veils should be pierced only in exceptional circumstances, where not to do so would be an injustice and not simply an inconvenience. Justice and legal efficiency seem to have been properly served by the Dutch court’s measured approach. Whether the German court is invited to rule further and chooses to ignore the English court remains to be seen. If it does, this is another point on which ECJ input may be sought.

Imposed publicity orders

The English court decisions relating to Apple’s forced public statement, and the subsequent dispute over the statement actually issued, probably had greater journalistic than legal significance.

It is correct that claimants should now assume that they risk facing such an order against them if they lose. This is especially so if they seek a publicity order pursuant to Article 15 of the EU IP Enforcement Directive (2004/48/EC) against the defendant as part of their claim. Such orders are now a standard part of the remedy sought in claim forms. However, a publicity order in reverse against a claimant is unlikely to become the norm; it requires there to be public uncertainty that needs correcting. As a result, the risk can be largely avoided by claimants if they do not seek publicity about their case until it has been finally decided. Alternatively, if they feel the need to speak openly, they should issue neutral and factually accurate statements until that point is reached.

Accordingly, this new risk will rarely dictate a claimant’s litigation strategy. It probably also does not justify changing the template claim forms. However, it may impact on how claimants choose to ‘play the press’ while their case is pending. [WTR](#)

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