

KONINKLIJKE PHILIPS ELECTRONICS NV AND
ANOTHER v KENWOOD HOME APPLIANCES (PTY) LTD

IN THE HIGH COURT OF SOUTH AFRICA
(TRANSVAAL PROVINCIAL DIVISION)

2002 OCTOBER 21. DU PLESSIS J

An application for a final, alternatively, a temporary interdict to restrain the continued infringement of a design registration and passing off—Kenwood ST365 steam and spray iron—Defences of neither new nor original dismissed—Design infringement and passing off established—Interdict granted with costs

Designs Act 195 of 1993, s 1(1) ('aesthetic design'), 14(1)(a), 14(2), 20(1), 20(2), 31(1)(c) and 35(5)

Designs Act 57 of 1967, s 1 ('design')

In an application for a final, alternatively, a temporary interdict to restrain the continued infringement of the applicant's design registration A99/0206 and to restrain the respondent from continuing to pass-off its Kenwood ST365 steam and spray iron as a product of the applicants, the respondent relied, by way of defence, on the grounds of neither new nor original on the basis of the prior publication of a United States design patent and of a United Kingdom design registration and the Court

Held, that the defence of neither new nor original could not be upheld

Held, further, and as to the test for infringement of a design registration, that the doctrine of imperfect recollection has a place in law where a court has to decide whether there has been infringement of a registered design. The reaction of likely customers must be borne in mind. Customers will not always see the articles side by side, at the same time or in the same place. Imperfect recollection is part of human nature and to ignore it would be to ignore a fact of life to which likely customers are subject. The proprietor of a registered design is entitled to 'have and enjoy the whole profit and advantage accruing by reason of the registration'. If infringing articles are not realistically viewed as a customer would view them, proprietors would not receive the protection to which they are entitled

Held, further and applying, *inter alia*, the doctrine of imperfect recollection, that the Kenwood ST365 steam and spray iron constituted an infringement of the design registration

Held, further, that there was no reason why the registration of a design incorporating a given shape and configuration should limit the common-law rights to an action based on passing-off

Held, further, that the applicants had established the requirements necessary for an order to restrain passing-off

Interdicts restraining the continued infringement of the design and passing-off were, accordingly, granted and the applicant was ordered to pay the respondent's costs

Louw SC (with *C van der Westhuizen*) for the applicants.

B du Plessis for the respondent.

Curr adu vult.

Postea (October 29).

Du Plessis J: The first applicant, a Netherlands company, manufactures and trades in domestic appliances, including steam and spray irons. It is the proprietor of a steam and spray iron design registered under no A99/0206 in terms of the Designs Act 195 of 1993 ('the Act'). The second applicant is a South African registered company and a wholly owned subsidiary of the first applicant. It carries on business as a distributor of the first applicant's products in South Africa. The respondent carries on business as an importer and distributor of domestic appliances, including steam irons.

Since about May 2002 the respondent has been importing a Kenwood ST365 steam and spray iron and has been distributing it in South Africa. (I shall refer to this product as the 'Kenwood'.) The first applicant alleges that the Kenwood embodies and therefore infringes its registered design. Based thereon the first applicant seeks a final interdict restraining the respondent from infringing the registered design 'by importing and/or selling the Kenwood ST365 steam and spray iron'. In addition the first applicant seeks an order that the respondent surrenders any infringing product in its possession. (In terms of the notice of motion both applicants sought the relief based on the alleged infringement of the design. It is now common cause, however, that the second applicant has no *locus standi* to seek relief based on the registration of the design.)

The first applicant's design is embodied in its Philips 215 Comfort steam and spray iron ('the Philips'). The second applicant distributes the Philips in South Africa. The applicants allege that, since May 1999, they have been marketing the Philips in South Africa with a distinctive get-up. They further allege that the get-up of the Kenwood is confusingly similar to that of the Philips and that the respondent is passing off its Kenwood as being the applicants' product or as being connected in the course of trade with the applicants. The applicants seek a final interdict restraining the respondent from 'passing off its Kenwood ST365 steam and spray iron as that of the applicants or as being connected in the course of trade with the applicants, by using in regard thereto the offending get-up or any get-up which is confusingly similar to the applicants' distinctive get-up'.

In their notice of motion the applicants also sought, in the alternative, interim interdicts pending an action to be instituted for final relief. The facts giving rise to the alleged infringements are common cause, however,

Counsel were agreed, and rightly so, that the applicants' entitlement or otherwise to final interdicts can be determined on the papers. There is thus no need to consider the alternative prayers for interim relief.

Counsel made submissions as to the onus of proof. As the material facts are common cause, the incidence of the onus of proof is immaterial, and I do not propose to deal therewith.

The alleged design infringement

Annexure A hereto is a copy of the first applicant's registered design. (The numbers thereon do not form part of the design. They were supplied for explanatory purposes by Mr Tah Ching, a consultant product designer in the first applicant's employ. Mr Tah Ching deposed to an affidavit containing his expert evidence on the applicants' behalf.)

The respondent has raised a number of defences to the claim based on the alleged infringement of the registered design. It is convenient to deal first with a defence that the registration of the design is liable to revocation on the ground that it was neither new nor original when it was registered.

The first applicant's design ('the registered design') is registered as an aesthetic design. In terms of s 14(1)(a) of the Act an aesthetic design, in order for it to be registered, must be new and original. Section 31(1)(c) provides that any person may apply for the revocation of the registration of a design on the ground that it is not registrable under s 14. Section 35(5) of the Act provides:

'In any proceedings for infringement the defendant may counterclaim for the revocation of the registration of the design and, by way of defence, rely upon any ground on which the registration may be revoked.'

In terms of s 14(2) of the Act a design shall

'be deemed to be new if it is different from or if it does not form part of the state of the art immediately before the date of application for registration thereof ...'

The respondent contends that the first applicant's registered design was not different from the state of the art immediately prior to the application for registration. On the papers the respondent makes reference to several designs as evidencing the state of the art at that time. In argument Mr Du Plessis for the respondent relied, however, on only two of those as evidence thereof that the registered design is not new or original. The two are United States design patent 388,920 (annexure B hereto) and United Kingdom design 2052092 (annexure C). It is convenient to refer

to these designs respectively as the 'US design' and the 'UK design'. (The numbers on annexures B and C do not form part of the designs.) Aesthetic design is defined in s 1(1) of the Act as:

'any design applied to any article, whether for the pattern or the shape or the configuration or the ornamentation thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality thereof'.

The application for registration was accompanied by the following definitive statement: 'The features of the design for which protection is claimed include the shape or configuration of a steam and spray iron substantially as shown in the representations.'

What must be decided therefore is whether, judged solely by the eye, the shape and/or configuration of the registered design is different from the state of the art as it appears from the US and UK designs.

The line marked 20 on annexure A defined the outside of a segment (marked 10) of the iron. While it is not apparent from the design, the other evidence shows that segment 10 is a water tank. The fact that segment 10 is a water tank cannot play any role in the comparison to be made but it is convenient to refer to it as the water tank.

If line 20 is traced from the front of the iron it can be seen that the water tanks wraps around the nose of the iron. The rear of the water tanks is rounded. There is an opening in the middle of the tank (the dial 12 is located within the opening). The opening is elliptical. It is through this opening that the fingers of a person holding the iron are pushed. The part of the water tank above the opening together with a segment marked 30 (above line 20) form the handle of the iron.

I now proceed to compare the registered design with the US design (annexure B). It is immediately apparent that the shape of the opening on the registered design is markedly different from that on the US design: The former is elliptical and the latter is rectangular in its general appearance.

The heel of the registered design (marked 36) is formed by a more or less straight line running upwards at an angle of some 30° in relation to the sole of the iron. The heel (36) of the US design forms an arch. The difference is striking and immediately apparent.

It is not clear from annexure B that line 20 on it defines a segment similar to the water tank on the registered design. The lower part of line 20, starting from the front, seems to run up behind the dial. If one assumes however that the line does define a segment similar to the water tank the rear of that segment is rectangular as opposed to the rounded rear of the water tank.

Having regard to the differences mentioned and also to the general

appearance of the two designs, I conclude that when compared with the US design, the shape and configuration of the registered design are new and original.

A Line 20 on the UK design (annexure C) forms the outside of a segment similar to the water tank. The segment wraps around the nose of the iron as in the registered design. The bottom line 20 on annexure C runs more or less parallel to the sole of the iron. The corresponding line on the registered design curves upwards and the shape of the segment (the water tank) is markedly different.

B The elevated heel (36) of the registered design is different from that of the UK design.

The part between the bottom of the water tank and the sole of the registered design is visibly wider than the corresponding part on annexure C.

C There is a material difference between the registered design and the UK design in shape and configuration.

The respondent's defence that the registered design is liable to be revoked cannot succeed.

Section 20(1) of the Act provides:

D '(1) The effect of the registration of a design shall be to grant to the registered proprietor in the Republic, subject to the provisions of this Act, for the duration of the registration the right to exclude other persons from the making, importing, using or disposing of any article included in the class in which the design is registered and embodying the registered design or a design not substantially different from the registered design, so that he shall have and enjoy the whole profit and advantage accruing by reason of the registration.'

F It is common cause that the Kenwood is included in the class in which the first applicant's design is registered and that the registration is current. The remaining issue is whether the Kenwood embodies the registered design or a design not substantially different.

G The definition of 'design' in the repealed Designs Act 57 of 1967 was essentially the same as that of 'aesthetic design' in the Act. The test for infringement was the same as it is in the Act. Precedents decided under the repealed Act therefore afford useful guidance when deciding whether there is infringement of an aesthetic design registered under the Act.

H In *Homcraft Steel Industries (Pty) Ltd v S M Hare & Son (Pty) Ltd and Another* 1984 (3) SA 681 (A) at 694I-695E Corbett JA said:

'The test for infringement is whether the article alleged to infringe embodies the registered design or a design not substantially different from the registered design ... This must be decided by the eye, and in applying this visual test the Court must bear in mind the reaction of the likely customer. The two

designs must be viewed and compared side by side and also separately. Ultimately it may be a matter of degree.'

A In *Sunsteel Manufacturing Co v Omega Africa Plastics* 1975 (4) SA 379 (W) Eloff J said that

'while the eye is to be the eye of the court, the court should view the design through the spectacles of the customer. It should, I think, be borne in mind that the probing, tuored eye of the court may discern features which could well escape many customers. ...

B Furthermore, when it comes to making comparisons between certain designs, the court is enjoined to have regard to the doctrine of imperfect recollection, which also involves bearing in mind that the customer, unlike the court, might not see the articles embodying the designs at the same time or place.'

C Save for one aspect, counsel were agreed that the approach set out in these quotations is to be followed, and I propose to do so. There was controversy as to the correctness of the underlined portion in the latter quotation. Relying on *Burrell's South African Patent and Design Law* (3rd ed by T D Burrell, p 505) counsel for the respondent contended that the doctrine of imperfect recollection has no place when the court decides whether there has been infringement of a registered design. I cannot agree: In *Homcraft* (see the quotation above) Corbett JA pointed out that the reaction of the likely customer must be borne in mind. Customers will not always see the articles side by side, at the same time or in the same place. Imperfect recollection is part of human nature and to ignore it will be to ignore a fact of life to which likely customers are subject. The proprietor of a registered design is entitled to 'have and enjoy the whole profit and advantage accruing by reason of the registration' (the latter of part s 20(1)). If infringing articles are not realistically viewed as a customer would view them, proprietors will not receive the protection they are entitled to.

F Before I proceed to compare the registered design and the Kenwood, a further argument presented by counsel for the respondent needs to be dealt with. Counsel submitted that the scope of the monopoly afforded by the registration of a design is determined by the extent to which the registered design differs from the state of the art at the time of registration. If only small differences separate the registered design from the state of the art at the relevant time, equally small differences between the registered design and an alleged infringing article will be enough to avoid a finding of infringement. The argument finds support in *Homcraft* (*supra* at 695B-D). For the reasons set out above, however, I am of the view that the registered design in this case differs substantially from the prior art. I will nevertheless bear in mind that there is a relation

between the degree of novelty of the registered design and the degree to which an alleged infringement must differ from the registered design.

Counsel were agreed that the Philips is an embodiment of the registered design. Annexure D shows the Philips and the Kenwood side by side with the Philips on the left. For purposes of the alleged design infringement the difference in colour must be ignored but for ease of reference I point out that the blue portion on the Philips and the green one on the Kenwood are the respective water tanks.

Looking at the articles side by side their shapes and configuration are so similar that one must look hard for differences. Models of each of the products were handed in as exhibits. Viewed side by side they initially look the same.

Closer visual inspection shows the following differences in shape and/or configuration:

- C • On the upper drawing on annexure A one can see a protuberance on the left hand (front) from just underneath the upper part of line 20. It is within the segment defined by line 20 (the water tank). The protuberance can be seen on annexure D within the blue portion. On the Kenwood (as it appears on annexure D) a similar but not identical protuberance appears in more or less the same position, but outside the green portion, i.e. not within the segment defined by line 20 (the water tank).
- D • Above the protuberance and outside the water tank segment there is on annexure A a rounded indentation in the nose of the iron. This appears as a blue oval on annexure D. On the model of the Philips iron one can see that this is an oval hole in the nose part. A similar feature cannot be seen on the Kenwood as it appears on annexure D. On the model of the Kenwood one can see in the same position a square lid which, when lifted, reveals a round hole.
- E • Directly above the indentation on the nose of the Philips as it appears on annexure D, there is a cylindrical protuberance. It is blue on annexure D. A similar cylindrical protuberance is apparent on the Kenwood. It differs from that on the registered design in that it is higher up on the handle of the iron.
- F • Next to the cylindrical protuberance one can see on annexure A a rounded object which, on the actual iron, appears to be a selection dial. A similar device can be seen just below the cylinder on the Kenwood.
- G • On the water tank of the Philips, just behind the opening to the right (rear) of annexure D is a red light. Looking at the actual iron one can see that this is actually situated on the inside of the handle, but visible from the side. On the Kenwood the light is differently shaped and in a

different position (in the white portion on the right (rear) side on annexure D).

- While the dial selector on the water tank, within the opening, looks similar on both products on annexure D, they look different when the actual irons are compared.
- There are holes in the soles of both irons. The pattern formed by the holes differs.
- On the rear of the Philips there is a rectangular pattern with the upper side thereof slightly indented. On the Kenwood the pattern is a rectangle.

The differences described are slight and apparent only after close inspection even when the articles are viewed side by side. Their general shape and configuration is the same — notably the shape of the water tank and the opening within it which are striking features of both irons. The soles of the irons are almost identical and the heels of both are elevated in relation to the flat surface of the sole.

If the registered design and the Kenwood are viewed separately, the differences pale into insignificance. The likely customer who sees the registered design and later sees the Kenwood will certainly not see a substantial difference and will probably regard the Kenwood as embodying the registered design. The degree of difference between the Kenwood and the registered design is much less than that between the registered design and the prior art.

It is concluded that the Kenwood constitutes an infringement of the protection afforded by the registration of the first applicant's design. Counsel were agreed that if it is held that there is infringement of the registered design, an order for the surrender of the infringing products should be made.

Passing-off

The wrong known as passing-off consists in a representation by one person that his business (or merchandise as the case may be) is that of another or that it is associated with that of another, and, in order to determine whether a representation amounts to passing-off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that of another.

(*Capital Estates and General Agencies (Pty) Ltd and Others v Holiday Inns Inc and Others* 1977 (2) SA 916 (A) at 929C–E.)

It is the applicants' case that the get-up of the respondent's Kenwood iron is confusingly similar to that of their Philips iron. In order for them to succeed with their claim based on passing-off they had to establish that

the get-up of the Philips is distinctive and that they have acquired among the purchasing public a reputation in relation thereto.

The main distinctive features on which the applicants rely are the shape and configuration of the iron and also its blue, semi-transparent water tank.

- A Before considering whether the get-up is distinctive and whether the applicants have proved a reputation therein, an argument put forward on the respondent's behalf must be considered. It is based thereon that the shape and configuration are also the subject of the registered design. Counsel pointed out that design registration affords protection for a limited time only. At the expiry of that time the design 'passes into the public domain'. (*Burrell (supra)* at 444 para 9.1.) There is an 'ongoing thread in intellectual property legislation favouring a freedom to copy works which have been permitted to pass into the public domain'. (*Premier Hangars CC v Pohyock (Pty) Ltd* 1997 (1) SA 416 (SCA) at 424C.) Counsel argued that the court should not lightly grant relief based on passing-off where the alleged distinctive get-up is also the subject of a registered design. That is so, the argument went on, because if passing-off cases are not approached thus, the effect of an order based on passing-off will be to perpetuate the limited duration of the design registration.

- D I cannot agree. The shape and configuration of an article can form part of its get-up. If a trader dealing in such an article proves a reputation in such get-up, it forms part of the trader's goodwill. The trader can protect the goodwill by means of proceedings based on passing-off. (See the reference in *Weber-Stephen Products Co v Albie Engineering (Pty) Ltd* 1992 (2) SA 489 (A) at 496 and 497 to the judgment of the Full Court of this division of the High Court.) I can see no reason why the registration of a design incorporating such shape and configuration should limit the common-law rights to take action based on passing-off.

- F Since May 1999 the applicants have made extensive use in South Africa of the get-up of the Philips as it appears on annexure D. The product was launched in South Africa in that month, and the launch was accompanied by and followed with an extensive advertising campaign. The applicants have since then annually spent considerable amounts to advertise the product and to maintain its market share. It has become the applicants' best selling domestic appliance in the country and accounts for approximately 70% of sales of all Philips irons here — about 370 000 units have been sold.

- H The respondent denies that the applicants have acquired a reputation in the get-up of the Philips. The facts set out in the preceding paragraph are not disputed, however. The respondent bases the denial thereon that there are other irons on the market that are similar to the Philips. This the respondent does by reference to a photograph of several irons on display in a shop. The respondent avers that two of those are similar to

the Philips. It is difficult to see on the photograph (annexure S5-6 to the papers) whether these irons are similar to the Philips. The applicants deny that they are. The respondent also attaches photographs of Telefunken and Sunbeam irons that are marketed in a get-up which on the face of it seems similar to that of the Philips.

- A If there are a number of irons on the market with a get-up closely resembling that of the Philips, that could mean that the get-up of the Philips lacks distinctiveness. The respondent, who introduced the evidence regarding the other irons, did not adduce any evidence to show that any of these irons have been on the market for any length of time. The applicants aver that the irons have been introduced into the market after the Philips. The onus is on the applicants to prove that the get-up of the Philips is distinctive. If there were any evidence, however, that any of the irons has been on the market for long enough or in sufficient numbers to destroy the distinctiveness of the Philips get-up, one would have expected the respondent to have adduced such evidence. In the absence of such evidence the applicants' averment must be accepted that, to the extent that these irons are confusingly similar to the Philips, they are unlawful infringements of the reputation attached to the get-up of the Philips.

- D It is concluded that the applicants have proved that the get-up of the Philips is distinctive and that they have a reputation in relation thereto. Mr Du Plessis submitted that if a reputation attaches to the get-up of the Philips, such reputation is only that of the first applicant and that the second applicant has no *locus standi* to seek relief based on passing-off. The evidence clearly shows that the second applicant, as distributor of the Philips in South Africa, trades therein. The reputation enjoyed by the distinctive get-up forms part of the second applicant's goodwill.

- F The next question is whether the get-up of the Kenwood is so similar to that of the Philips that there is a reasonable likelihood that members of the public may be confused into believing that the business of the respondent is that of the applicants or that it is connected in the course of trade therewith.

- G I have pointed out in relation to the first applicant's claim based on the registered design that the shape and configuration of the Kenwood is practically identical to that of the Philips. As can be seen on annexure D the Philips is sold with a striking blue water tank. On the model of the Philips one can see that the water tank is semi-transparent. The water tank of the Kenwood is also striking, but it is green. It is also semi-transparent. Members of the public seeing the irons side by side will not necessarily realise that the difference in colour denotes a difference in origin. At least a substantial number of members of the public are likely to conclude that the two are but differently coloured irons of the same origin.

The differences between the two irons in their configuration have also been dealt with. They are such that even when the irons are viewed side by side, a substantial number of members of the public will not see the differences. Very few people, having seen the one iron, will later be able to remember the differences.

A The names Philips and Kenwood appear clearly on the toes of the respective irons. In addition the name 'Comfort 215' appears on the heel of the Philips. Mr Du Plessis submitted that as the names of Philips and Kenwood are both well known, the name Kenwood on the respondent's iron is sufficient to distinguish it from the applicants' product. On both the irons the name appears only on one side of the product. Likely customers may have seen the Philips only from the side not bearing the name, and may have decided to purchase it based on its get-up. When such customers later see the Kenwood name on the respondent's product, they could reasonably be deceived into thinking that what they had seen earlier was a Kenwood. Likely customers who did see the Philips name may remember that they had seen a well-known brand of iron in the distinctive get-up but may not remember which well-known brand it was. If such customers see the Kenwood, and know it is a well-known brand, they may well be confused into thinking that the well-known brand they had seen was the Kenwood.

D The two products are sold in packages that are different. Mr Du Plessis submitted that the difference is sufficient to avoid confusion. It is well known, however, that merchandise is not always displayed in the package. E Customers purchase articles such as the irons as they are displayed without the package and see the package only when the article is delivered. The difference in the packages is not sufficient to avoid confusion.

F The applicants presented no evidence that any member of the public was actually confused. Counsel for the respondent conceded that evidence of actual confusion is not a prerequisite to the grant of relief. (SA *Metal and Machinery Co (Pty) Ltd v Metal Salvage Co (Pty) Ltd* 1952 (4) SA 302 (C) at 307H.) Counsel submitted, however, that on the evidence it must be inferred that the absence of evidence of actual confusion constitutes proof of the absence of confusion. The Kenwood has been on the market only since May 2002. The application was launched in September. Having regard to the short time lapse, the absence of evidence does not show that confusion is not likely.

H On the papers the respondent contends that the applicants are not entitled to the interdicts sought because they have an adequate alternative remedy in a claim for damages. Counsel did not persist in this argument.

Costs

I The application was launched urgently. It was set down for 1 October

2002 after the applicants have given the respondent less than a week within which to file answering affidavits. When the matter was called on 1 October the applicants had not filed their replying affidavits yet. That was, I was informed, due thereto that the respondent did not file its answer within the time set in the notice of motion. The costs of the postponement were reserved. I accept that there is a measure of urgency in the application in that the parties seek clarity before the start of the Christmas sales. The urgency is not such that the applicants could not have given the respondent the time provided for in the Rules within which to file its answer. The applicants could then have filed their reply and thereafter could have sought an urgent date for the hearing. The costs of 1 October were wasted as a result of the unnecessary haste with which the application was set down. The applicants must pay the wasted costs.

C Apart from the wasted costs, costs must follow the result. The applicants employed two counsel. I am satisfied that the case warrants the employment of two counsel.

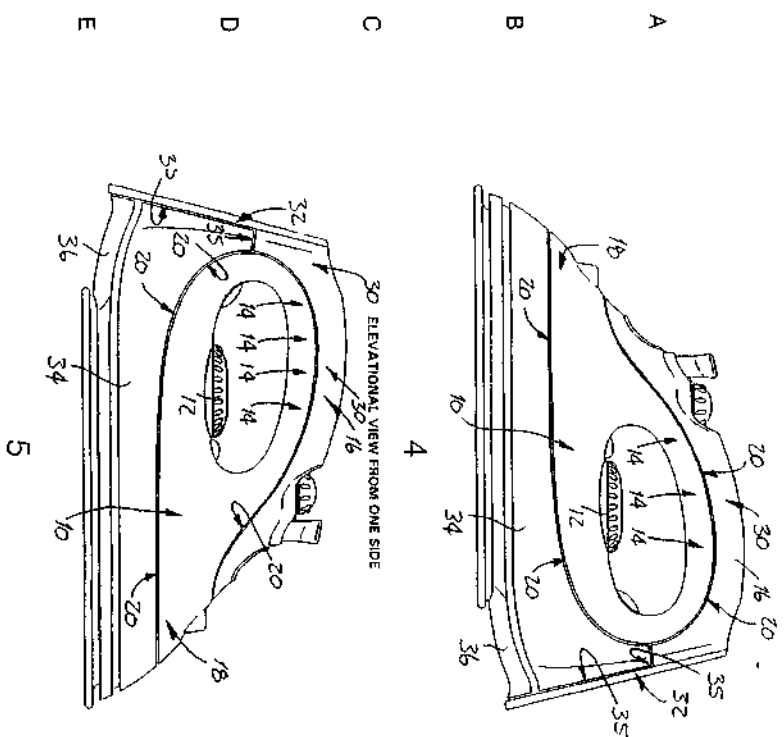
The following order is made:

1. The respondent is interdicted and restrained from infringing registered design no A99/0206 by importing and/or selling the Kenwood ST365 Steam and Spray Iron and the respondent is ordered to surrender any infringing product in its possession or under its control or any article or product which forms an inseparable part of the infringing product to the first applicant.
2. The respondent is interdicted and restrained from passing off its Philips ST365 Steam and Spray Iron as that of the applicants or as being connected in the course of trade with the applicants by using in regard thereto the offending get-up or any get-up which is confusingly or deceptively similar to the applicants' distinctive get-up.
3. The applicants are ordered to pay the respondent's wasted costs in respect of the postponement of the case on 1 October 2002.
4. Save for the costs referred to in para 3 above, the respondent is ordered to pay the applicants' costs, including the costs of two counsel.

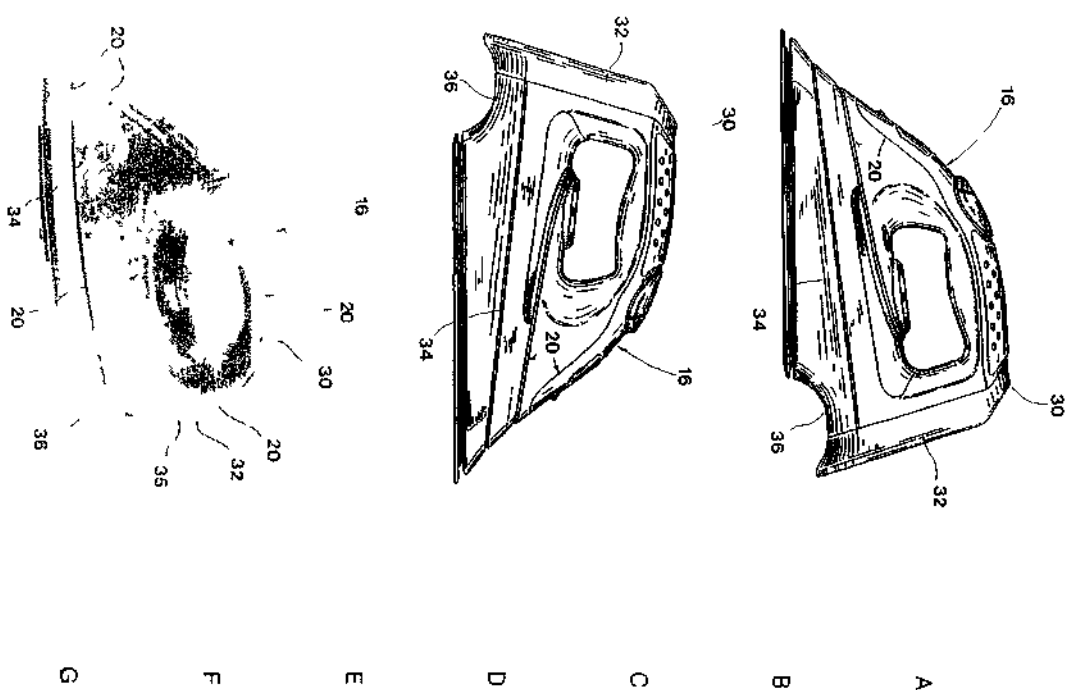
Applicant's Attorneys: *Adams & Adams*.

Respondent's Attorneys: *Spoor & Fisher*.

KONINKLIJKE PHILIPS ELECTRONICS N.V.



ELEVATIONAL VIEW FROM OTHER SIDE



A



B