

Case No: CC11P03840

Neutral Citation Number: [2012] EWPC 23
IN THE PATENTS COUNTY COURT

Rolls Building
7 Rolls Buildings
London EC4A 1NL

Date: 16/05/2012

Before :

HIS HONOUR JUDGE BIRSS QC

Between :

DAHLIA FASHION CO LIMITED
- and -
(1) BROADCAST SESSION LIMITED
(2) KARMESH DHOJ JOSHI

Claimant

Defendants

Margaret Briffa of **(Briffa)** for the **Claimant**
Ian Silcock (instructed by **Mitchiners**) for the **Defendants**

Determined on paper

Judgment

His Honour Judge Birss QC :

1. This is an application for summary judgment relating to the design of a dress called the Betty Dress. The claimant (Dahlia) claims United Kingdom unregistered design right and European Community unregistered design right relating to the dress. Dahlia's case is that the defendants have infringed those rights. Dahlia contends that the first defendant (Broadcast) imported and sold a dress which is a more or less identical copy of the Betty Dress. The second defendant (Mr Joshi) is said to be personally liable for the acts of his company.
2. In the Particulars of Claim Dahlia sued for infringement of the rights in two garments. One is the Betty Dress and the other is called the Dahlia Skort Playsuit. A skort or skort playsuit is a garment which looks like a skirt but is in fact a pair of shorts. Dahlia believe copies of both the Betty Dress and the Dahlia Skort Playsuit have been sold by Broadcast. In their Defence the defendants addressed the playsuit in detail. They raised various arguments about the scope and subsistence of Dahlia's rights in the Dahlia Skort Playsuit and arguments about alleged differences between the Dahlia Skort Playsuit and the version sold by Broadcast. Dahlia firmly believes these points will fail but accepts summary judgment could not be given for the Dahlia Skort Playsuit.
3. However the defence relating to the Betty Dress is different. For one thing the defendants' version is plainly virtually identical to the Betty Dress. The defendants' position is that they do not admit the subsistence of the rights claimed nor do they admit Dahlia's title. In response to the allegation of flagrancy the defendants contend they had no reason to believe that the dress was copied from or infringed any rights in the Betty Dress. Thus as regards the Betty Dress, the only defence to infringement itself (leaving aside flagrancy) is a non-admission of subsistence and title.
4. Dahlia sought summary judgment. Evidence was provided to substantiate Dahlia's case, explaining how the Betty Dress was designed and so on.
5. The matter came before me in February 2012 for a CMC in the action as a whole and for directions to deal with the summary judgment application. It seemed to me the summary judgment application could be dealt with on paper. I directed that the parties should consider whether they accepted the application should be dealt with on paper once the evidence was complete. Written evidence was exchanged and the parties agreed to the application being determined that way. The defendant wanted to file written submissions and I directed that brief written submissions should be filed, limited to four pages each.
6. The remaining directions for the conduct of the case are set to start once the summary judgment application is decided.
7. CPR part 24 r. 24.2 provides:

The court may give summary judgment against a claimant or defendant on the whole of a claim or on a particular issue if –

(a) it considers that –

(i) that claimant has no real prospect of succeeding on the claim or issue; or

(ii) that defendant has no real prospect of successfully defending the claim or issue; and

(b) there is no other compelling reason why the case or issue should be disposed of at a trial.

8. The claimant has the burden of proving that this is a case eligible for summary judgment, but a summary judgment application must not become a mini-trial (***ED&F Man Liquid Products Ltd v Patel*** [2003] EWCA Civ 472 at paragraphs 9, 10, 11, 52 and 53 per Potter LJ). In ***Three Rivers DC v Bank of England (No 3)*** [2001] 2 All ER. 513 at paragraph 158 Lord Hobhouse observed that the criterion which the judge has to apply under CPR Pt 24 is not one of probability; it is absence of reality.
9. Were it not for one point, I would have no difficulty giving summary judgment for Dahlia. The difficulty is this. The defendants' have nothing substantive to say about the Betty Dress itself. However their position in answer to the application for summary judgment is that the issue of the Betty Dress cannot realistically be separated from the Dahlia Skort Playsuit. Both dresses were designed by a freelance designer commissioned by Dahlia called Katherine Graziano. The defendants have found what they contend is an earlier garment of a similar design to the Dahlia Skort Playsuit. The defendants say there is a real prospect that they will prove at trial that the whole of the design of the Dahlia Skort Playsuit was not in fact made by Katherine Graziano but rather that she was responsible only for minor modifications to an existing design sourced from China. This would be flatly contrary to the claimant's case and evidence.
10. The defendants then argue that if this is proved at trial, it will not only undermine Dahlia's case on the design of the Dahlia Skort Playsuit but it will also have the knock on effect of undermining Dahlia's case about the Betty Dress. After all the Betty Dress is said to have been designed by the same person in much the same way. The defendants argue that the fact they do not have a relevant earlier garment to directly attack the evidence concerning the origin of the Betty Dress should not be held against them. The defendants also point out that there is no witness statement from Katherine Graziano herself. The claimant's evidence is given by Tracey Mitchell, a director of Dahlia, and by the claimant's solicitor.
11. Dahlia denies all this. It argues that there is simply no defence in relation to the Betty Dress. There is nothing sinister in the fact that the evidence is given by Tracey Mitchell. She is in a position to give the appropriate evidence. Dahlia also argues that the attack on the Dahlia Skort Playsuit is not well founded at all.
12. I have considerable sympathy with Dahlia on this application. The defendants' dress is plainly a copy of the Betty Dress. It is virtually identical. If the rights Dahlia claims subsist and are owned by Dahlia then the dress is an infringing copy. There is no evidence directed to the Betty Dress itself which undermines the evidence that the rights subsist and belong to Dahlia.

13. As regards the other garment, the Dahlia Skort Playsuit, on the basis of the material I have seen, the defendants' defence is properly arguable but not strong. Even if that defence were to succeed, it does not follow necessarily that the result will have an impact on the Betty Dress. If it does not have that impact then, even if Dahlia loses on the Skort Playsuit, it will win on the Betty Dress.
14. In my judgment the defendants' defence in relation to the Betty Dress is weak. On the material before me, it is much more likely that Dahlia will win than that Broadcast will win. However if the argument about the Dahlia Skort Playsuit does succeed, which is possible but unlikely, it is also conceivable but unlikely that that result would have a knock on effect on the Betty Dress, which was designed by the same person working as a freelance designer for Dahlia in the same circumstances.
15. Accordingly I cannot give summary judgment for Dahlia in relation to the Betty Dress. It would be wrong to do so.
16. However it seems to me that Paragraph 4 of the Practice Direction relating to Part 24 is engaged in this case. It appears to me that although the defence in relation to the Betty Dress may succeed, it is improbable that it will succeed. In such circumstances the court may make a conditional order. In the context of this case, the conditional order contemplated by Paragraph 5.2 of PD 24 is one which requires the defendants to pay a sum of money into court or to take a specified step in relation to their defence, and provides that the defendants' defence (in relation to the Betty Dress) will be struck out if they do not comply.
17. Clearly, just because I find the defence to be improbable does not mean a conditional order must follow. The matter is one for the exercise of my discretion in the circumstances. That discretion will be conditioned by the overriding objective to deal with cases justly including saving expense and proportionality.
18. I doubt the Betty Dress defence will succeed and I very much doubt that cost of defending the Betty Dress case will justify the benefit since according to Mr Joshi only £477 worth of sales were made. On the other hand one might wonder why the claimant is bothering at all but the problem for claimants in cases like this is that this is the only way to address infringements when batches of copied goods have been imported and sold on to local market traders and the like.
19. In my judgment this is an appropriate case for a conditional order, bearing in mind the strength of the defence and proportionality. The order I will make is one requiring the defendants to pay a sum into court within 14 days of the date this judgment is handed down. If that sum is not paid into court in the time specified then the defence relating to the Betty Dress will be struck out.
20. The sum I will require to be paid is £10,000. The purpose of that sum is to act as fair security for the claimant's costs in relation to the Betty Dress including the costs of this application, bearing in mind the Patents County Court costs scale in Section VII of Part 45, and also to cover the possible damages to be awarded.
21. If the parties' lawyers cannot agree an order embodying the outcome of this application I will settle the order when this judgment is handed down.

Postscript

22. After the draft judgment was provided to the parties, the defendants raised a question as to the intended effect of the conditional order and sought clarification. The defendants submitted that the conditional order should only apply to the first defendant and should not apply to the second defendant's separate point that he denies being personally liable for either infringement in this case.
23. The conditional order was intended to apply to both defendants and to include the point about personal liability in relation to the Betty Dress. On the material presented to me, I regarded the suggestion that the Second Defendant was not personally liable for the relevant acts relating to the Betty Dress as improbable.
24. Accordingly the conditional order should apply to both defendants. If the sum is not paid in, the whole of the defence of both defendants in relation to the Betty Dress will be struck out.