Neutral Citation Number: [2012] EWHC 2049 (Pat)

Case No: HC 11 C 03050

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
PATENTS COURT

Royal Courts of Justice
The Rolls Building
7 Rolls Building
Fetter Lane
London EC4A 1NL

Date: 18/07/2012

Before:

HIS HONOUR JUDGE BIRSS QC
(Sitting as a Judge of the High Court)

- -

Between:

SAMSUNG ELECTRONICS (UK) LIMITED	**Claimant**
- and -	
APPLE INC.	**Defendant**

- -
- -

MISS KATHRYN PICKARD (instructed by **Simmons & Simmons LLP**) appeared for the **Claimant**.

MR. RICHARD HACON (instructed **Freshfields Bruckhaus Derringer LLP**) appeared for the **Defendant**.

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APPROVED JUDGMENT ON INJUNCTION AND PUBLICATION OF JUDGMENT

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(Computer-aided transcript of the Stenograph Notes of Marten Walsh Cherer Ltd.,
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HIS HONOUR JUDGE BIRSS QC :

1. In my judgment handed down last week, I decided that Samsung's Galaxy tablets did not infringe Apple's Registered Community Design 000181607-0001. I now have to decide two points arising from that judgment. I have already dealt with the question of permission to appeal and an interim award of costs.

2. First of all, Samsung seek an injunction in the following terms:

> (3) The Defendant, by its directors, officers, servants or agents or otherwise howsoever, is restrained from representing to any person that the making and/or offering and/or putting on the market and/or importing and/or exporting and/or using the Claimant's Galaxy Tab 10.1 and Galaxy Tab 8.9 and Galaxy Tab 7.7 tablet computers and/or stocking the Claimant's Galaxy Tab 10.1 and Galaxy Tab 8.9 and Galaxy Tab 7.7 tablet computers for those purposes by the Claimant in the European Union infringes Registered Community Design 000181,607-0001.

3. Apple resist that injunction.

4. Samsung also seek an order for dissemination of the judgment in the following terms:

> (4) Within seven days of the date of this Order the Defendant shall, at its own expense, (a) post in a font size no small than Arial 14 pt the notice specified in Schedule 1 to this Order on the home pages of its EU websites ("the Defendant's Websites"), as specified in Schedule 1 to this order, together with a hyperlink to the judgment of HHJ Birss QC dated 09 July 2012, said notice and hyperlink to remain displayed on the Defendant's Websites for a period of one year from the date of this Order or until further order of the Court (b) publish in a font size no small than Arial 14 pt the notice specified in Schedule 1 to this Order on a page earlier than page 6 in The Financial Times, the Daily Mail, The Guardian, Mobile Magazine and T3 magazine.
>
> Schedule 1
>
> The following notice shall be posted and displayed upon the Defendant's Websites currently at
>
> [http://www.apple.com/benl/; http://www.apple.com/befr/;
> http://www.apple.com/bg/; http://www.apple.com/cz/;
> http://www.apple.com/dk/; http://www.apple.com/de/;
> http://www.apple.com/ee/; http://www.apple.com/es/;
> http://www.apple.com/fr/; http://www.apple.com/gr/;
> http://www.apple.com/hr/; http://www.apple.com/it/;
> http://www.apple.com/lv/; http://www.apple.com/li/iphone/;
> http://www.apple.com/lt/; http://www.apple.com/lu/;

> http://www.apple.com/hu/; http://www.apple.com/mt/;
> http://www.apple.com/nl/; http://www.apple.com/at/;
> http://www.apple.com/pl/; http://www.apple.com/pt/;
> http://www.apple.com/ro/; http://www.apple.com/sk/;
> http://www.apple.com/si/; http://www.apple.com/fi/;
> http://www.apple.com/se/; http://www.apple.com/uk/]:
>
> "On 9th July 2012 the High Court of Justice of England and Wales ruled that Samsung Electronics (UK) Limited's Galaxy Tablet computers, namely the Galaxy Tab 10.1, Tab 8.9 and Tab 7.7 do not infringe Apple's registered design 000181607-0001. A copy of the full judgment of the High Court is available via the following link [insert hyperlink]."
>
> The defendant shall arrange for the following notice to be published in The Financial Times; the Daily Mail; The Guardian; Mobile Magazine; and T3 magazine:
>
> "On 9th July 2012 the High Court of Justice of England and Wales ruled that Samsung Electronics (UK) Limited's Galaxy Tablet computers, namely the Galaxy Tab 10.1, Tab 8.9 and Tab 7.7 do not infringe Apple's registered design 000181607-0001. A copy of the full judgment of the High Court is available via the following link [insert hyperlink]."

5. Again, Apple resist that order.

6. Before me Kathryn Pickard, instructed by Simmons & Simmons appears for Samsung and Mr. Richard Hacon instructed by Freshfields appears for Apple.

7. First I will deal with the injunction.

8. In the main action in these proceedings, there was a claim by Samsung for a declaration of non-infringement. There is no dispute that Samsung are entitled to that declaration. In other words, Samsung sought, and have now obtained, a formal public and binding declaration by the High Court that:

> "The Samsung Galaxy Tab 10.1, Galaxy Tab 8.9 and Galaxy Tab 7.7 tablet computers (photographs of which are annexed at Annexes 1-3 of this order) do not infringe Registered Community Design number 000181607-0001."

9. The ability of the court to make such declarations is an important part of the court's armoury of powers to do justice between the parties to a dispute. Sometimes a declaration may be the only remedy sought and the only thing which settles a point of contention between two rivals. Declarations are always discretionary and although it is agreed that I should make one in this case, it is worth recalling that whether to make a declaration depends on taking into account justice to the claimant, justice to the defendant and whether the declaration would serve a useful purpose.

10. Declarations of non-infringement are well established in intellectual property cases. In the context of Registered Community Designs, it is a recognised remedy (if it is available) under national law. I refer to Article 81(b) of the Community Design Regulation (Council Regulation (EC) No 6/2002) as follows:

> **Jurisdiction over infringement and validity**
>
> The Community design courts shall have exclusive jurisdiction-
>
> …
>
> (b) for actions for declaration of non-infringement of Community designs, if they are permitted under national law;
>
> …

11. Similarly Article 91 is also a provision referring to declarations of non-infringement.

12. The purpose of such a declaration is not simply to decide whether, as in this case, the Samsung products do or do not infringe, it is to make a formal binding and public statement to that effect. However, Samsung submit I should go further and grant an injunction, as Samsung put it, to stop Apple from continuing to make untrue assertions that Samsung's tablet infringes the registered design.

13. Samsung also point out that after the judgment in this case was handed down Apple said: (I will quote what has been called the Hely statement):

> "It's no coincidence that Samsung's latest products look a lot like the iPhone and iPad. This kind of blatant copying is wrong and, as we've said many times before, we need to protect Apple's intellectual property."

14. Samsung submits that read in context this statement is another assertion by Apple that SEUK's acts in relation to the Samsung tablets constitute an infringe of the registered design. They contend that the fact that the statement was made after judgment indicates the need for an injunction to be granted in order that the court's grant of declaratory relief in this case is not frustrated.

15. The first question I need to decide is whether I have jurisdiction to make such an order. It is clear that there is no legislative basis in the Community Design Regulation or in the IP Enforcement Directive (Council Directive 2004/48) for such an order. However, Samsung submit that the court has jurisdiction to make such an order pursuant to section 37(1) of the Senior Courts Act 1981. That is essentially a provision which says that the court may grant injunctions when it is just and convenient to do so.

16. I think that is sufficient to mean that this court would have jurisdiction to make an order such as the order sought. The real issue, however, is whether I should make an order on the facts of this case.

17. Mr. Hacon says that I should be extremely cautious to make an order not provided for in Community legislation. I agree that is a factor to take into account, but I do not

agree with Mr. Hacon's characterisation that its absence from the legislation necessarily goes as far as to mean that I should be "extremely" cautious. I also do not accept Mr. Hacon's suggestion that it could have effect on trade between Member States. As a generality, that may be relevant, but in this case I seriously doubt it.

18. Miss Pickard referred me to the decision of the Court of Appeal in *Point Solutions Limited v Focus Business Solutions Limited* [2007] EWCA Civ 14, in which Chadwick LJ, Hallett LJ and Lindsay J were sitting in the Court of Appeal hearing an appeal from HHJ Kirkham.

19. In particular Miss Pickard focused on paragraph 34 of the judgment of Chadwick LJ. It seems to me that in that judgment the learned judge was considering that an injunction of the kind sought by Miss Pickard in this case could be appropriate in an appropriate case along with and in addition to a claim for declaratory relief.

20. Mr. Hacon says that the learned Lord Justice did not focus on the fact that the assertion in that case, which was that there had been copyright infringement, was not itself an unlawful assertion since there is no threats law in copyright. But as I read the judgment, Chadwick LJ saw exactly that point when he was referring to the distinction between the case before him and the statutory threats in a trade mark case.

21. However, it seems to me that, although *Point Solutions* provide some support for Miss Pickard's submission, it does not purport to lay down any detailed guidance to consider whether an injunction would be appropriate in another case. The real question is whether I should make an order on the facts of this case.

22. I remind myself that the action for threats was struck out by Mann J on 4th April 2012.

23. Apple say I should not make the injunction order sought by Samsung because it would interfere with their right to take proceedings in other Community courts. It is notable that many but not all of the assertions of infringement relied on by Samsung which Apple were said to have made were made in parallel court proceedings. The pleaded particulars refer to the Düsseldorf Court, the Dutch Court and proceedings in Spain.

24. Samsung retort that the injunction is limited to making statements about SEUK and that company is not a party to any proceedings elsewhere in Europe.

25. I do not accept that Samsung's distinction between different corporate entities is a real one for the purpose of this issue. From the point of view of the public statements, Samsung is one entity. Indeed I note that the terms of the declaration which I am making simply refers to the Samsung Galaxy product and does not draw a distinction between different companies.

26. I also bear in mind the question of what would be the position pending appeal. Apple wish to appeal this ruling and I have given them permission to do that. To do that they need to assert that the Samsung tablet infringes. I suppose a proviso could be put into the injunction. Nevertheless they are entitled to their opinion that the judgment is not correct.

27. Finally, and most importantly in my judgment, Article 10 and freedom of speech would be engaged. An injunction of this kind, it seems to me, risks engaging the right to free speech. No development of these principles was made before me. All I will say is that I foresee serious difficulties in relation to freedom of speech arising from an injunction of this kind.

28. Mr. Hacon described an injunction of this kind as sinister. I agree that there is a very serious question whether the court should go around granting injunctions purporting to restrain people from saying that they disagree with a judgment. As I think was attributed to Jeremy Bentham, "publicity is the soul of justice" and it is very important that the courts can be held up to public scrutiny and what happens in them can be discussed in public.

29. In my judgment overall, that is one very powerful factor and is quite sufficient for me to say that there should be no injunction in this case.

30. I will now consider the question of dissemination.

31. The other order sought by Samsung in this case is an order, as I said before, that Apple should disseminate copies of this judgment in the particular way provided for in the order I have already quoted.

32. The starting point for the analysis of this request is Article 15 of the Enforcement Directive. It is as follows:

> Publication of Judicial Decisions
>
> Member States shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part. Member States may provide for other additional publicity measures which are appropriate to the particular circumstances, including prominent advertising.

33. The relevant recital is recital 27 which provides:

> To act as a supplementary deterrent to future infringers and to contribute to the awareness of the public at large, it is useful to publicise decisions in intellectual property infringement cases.

34. The relevant practice direction relating to Art 15 is Practice Direction 26.2 to Part 63 of the CPR, as follows:

> Where the court finds that an intellectual property right has been infringed, the court may, at the request of the applicant, order appropriate measures for the dissemination and publication of the judgment to be taken at the expense of the infringer.

35. In the decision of Henderson J in *32Red PLC v WHG (International) Limited* [2011] EWHC 665 (Ch), the question of what to do in that sort of case came up. He said in paragraph 26:

> That emphasizes that there is a strong deterrent element to this power, as well as a wish to make sure that the relevant public is aware of relevant decisions which have been reached.

36. I respectfully agree with Henderson J.

37. Henderson J also referred to what Norris J had said in the *Gucci v Dune* case and that was summarised in the judgment of paragraph 31 of Henderson J.

> 31 The judge [*Norris J*] then said that, as matters stand, there is no presumption that an advertisement should follow as a matter of routine, but he added that in some cases there is a clear underlying policy which shows that a discretionary power should ordinarily be exercised in a particular way. He also said no underlying policy had been identified in any authority. That is so, but one can I think discern a certain amount of underlying policy from recital 27, and that was reflected in the submissions for Gucci in that case, which were that an order should be made for essentially four reasons: first, such orders ought to become standard practice; secondly, such an order would remind the defendant to be more careful about the nature of the products which it sold; thirdly, because the publication by the defendant of the result of the decision against it would be a deterrent to other infringers and counterfeiters; and, fourthly, whenever infringement is established there ought to be a policy of granting a full range of remedies, given the difficulties which owners of IP rights face in identifying and successfully pursuing infringers.

38. I respectfully agree with that assessment as well.

39. However, all of these matters that I have dealt with so far are to some extent beside the point. Article 15 and *32Red* concern a case in which the person seeking the order is a victorious rights holder vindicated in a claim for infringement. This is the opposite. This is a case in which the victorious person is the one who has been found not to infringe. What is the position about the dissemination of such a judgment?

40. It is clear that the provisions I have dealt with so far do not provide for that sort of thing. Samsung submit again that the jurisdiction to make this order is section 37 of the Senior Courts Act. Again, Mr. Hacon did not disagree that the court had jurisdiction to make this order but he submitted that the real question, as always, is whether it should be exercised.

41. I also bear in mind that when the Enforcement Directive came to be applied in English law, the view that was taken by Government was that it was not necessary to enact a specific power to give the courts the power to make orders under Article 15 because it was perceived that section 37 itself already gave the court sufficient power

to do that. In my judgment, that is correct. The question is whether to exercise that jurisdiction. Guidance whether to do so comes from considering the policy behind Article 15, bearing in mind that this is a different case from the case specifically considered by Article 15.

42. In summary, the policy comes down to two points: to deter future infringers and to publicise and disseminate the outcomes of these sorts of proceedings. Clearly the first question of deterrents of future infringers does not apply, but as for the policy of contributing to awareness, it seems to me, and I accept Miss Pickard's submission, that this applies both ways, both to infringements and to non-infringements.

43. Samsung refer me to what was said in proceedings which were considering whether to expedite this case. When Mann J expedited these proceedings he said:

> "*… in the commercial circumstances of this case there should be an appropriate degree of expedition. The dispute in this case needs resolution while the designs of the product are still current, and in the context of a Europe-wide dispute about these tablet computers it is necessary to start to get some (or some more) final decisions in place to produce certainty and remove public and litigation posturing.*"

per Mann J, paragraph 54

44. In the Court of Appeal, Lloyd LJ said:

> *"The need for urgency arises because of the intense competition between the rival parties and their products in the market, and because of Samsung's position that Apple's contention that the Galaxy infringes the registered design is putting Samsung wrongly and unfairly at a disadvantage in the market."*

per Lloyd LJ, judgment paragraph 2

45. Samsung say that, notwithstanding the fact that Apple have lost this case, they continue to assert that Samsung infringes and that the damage that was caused and has been described there continues to apply. Accordingly, Samsung seek orders that I should require Apple to put on their websites and to put in certain newspapers references to this judgment and a statement that the court has found that the Samsung Galaxy tablets do not infringe.

46. In terms of policy, I accept that there is a useful purpose in a clear public statement that a product alleged by a rights holder to infringe those rights does not infringe. The more frequently and the more loudly a rights holder has asserted infringement, the more useful it is to have a clear public statement to the contrary. However, that purpose is also the fundamental purpose and the reason for the court's declaratory jurisdiction. Samsung have the benefit of that public declaration.

47. Is there a sufficient reason in this case to use the court's injunctive power to compel the rights holder to put a statement on its home page and to pay for an advertisement

in the newspapers? It seems to me that an important element in this case is the evidence that I have been shown from Mr. Stone's witness statement of specific commercial harm caused to Samsung as a result of Apple's assertions.

48. I also bear in mind the question of freedom of speech under Article 10. It seems to me that that question is very different in the context of the order I am now being asked to make than it was in the previous case. The reason for that, apart from anything else, is that the order that I am making as far as freedom of speech is concerned is precisely the same as the order which the court can make under Article 15 of the Enforcement Directive.

49. Mr. Hacon, in summary, makes three points. First of all, he says Apple are not making the assertion any more. Second, he says that nothing in the order in relation to the newspapers is something that Samsung could not do for itself. They are big boys and they can pay for advertisements in newspapers. Third, Mr. Hacon refers to prejudice to Apple that would be caused by putting a statement on their website. Essentially the argument is that by putting a reference to Samsung on Apple's website, that risks diverting sales to Samsung so that Samsung essentially are getting free advertising from Apple.

50. As to the first point, I need to consider what Apple are saying now. I have cited one example that has been said by Mr. Hely on Apple's behalf since the judgment was handed down.

51. In my judgment, Apple are carefully trying to say something which contains an innuendo that Samsung infringe without actually saying it. The reference to copying is exactly that. It is clear that copying plays no part in this case for Registered Community Design infringement, but to many people outside the circles of intellectual property law to say something infringes a Registered Community Design and to say someone copied your design or your product is to say the same thing.

52. As to Mr. Hacon's second point, it is true that Samsung can pay for advertisements themselves, but I do not agree that the only point of an order requiring a party to put an advert in a newspaper is about who pays for the advert. That argument would also apply to the order made under Article 15 itself. It seems to me that an important part of what is going on under Article 15, which would apply just as much in this case, is that it is the person in question, in this case Apple, who are being required to put these advertisements in the newspaper, it is not just about who pays for it.

53. As to the third point, the prejudice to Apple, I must say I seriously doubt there will be any real diversion of sales but I cannot rule it out and that would be potentially prejudicial to Apple.

54. However, it seems to me here that the fact of Apple's statements after trial and the fact of the harm caused by similar assertions to Samsung in the past is a matter which balances that prejudice. I recognise that these are two different prejudices to Samsung and to Apple and in many ways they are not comparable but it seems to me nevertheless to some extent that one does cancel and balance against the other.

55. I also bear in mind the position across the world and Europe. It is not homogenous. In relation to this Registered Community Design, the proceedings in Germany and the

Netherlands at a preliminary stage have gone in Samsung's favour. They have judgments of the Dutch and German courts saying that the Samsung products do not infringe the Registered Community Design. However, in Germany, Apple have the benefit of an injunction against Samsung under German unfair competition law. I understand that in the United States there is a preliminary injunction under the American design against Samsung.

56. I also bear in mind that this is a commercial battle between the largest sorts of corporations one could ever imagine who are in many ways people who can look after themselves. However, overall in my judgment, it seems to me that the fair answer is that Apple should be required to put advertisements in the relevant newspapers and to put a statement on their United Kingdom website.

57. I am not persuaded that the list of websites in Schedule 1, other than the United Kingdom website, would be fair or appropriate. I am also not persuaded that the statement needs to be on the websites for one year. This is a very fast moving industry and I bear in mind the risk of prejudice to Apple and I will require the statement to be on the United Kingdom website of Apple corporation for six months.

58. Those are my reasons.

(See separate transcript for proceedings after judgment)