



Neutral Citation Number: [2020] EWHC 2094 (Pat)

Case No: HP-2018-000010

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INTELLECTUAL PROPERTY LIST (ChD)

PATENTS COURT

Remote Hearing by Skype for Business

Royal Courts of Justice

The Rolls Building

7 Rolls Buildings

London, EC4A 1NL

Thursday 30 July 2020

Before:

RECODER DOUGLAS CAMPBELL QC
(Sitting as a Judge of the Patents Court)

Between:

BAYERISCHE MOTOREN WERKE AG
(A company incorporated under the laws of Germany) **Claimant**

- and -

(1) PREMIER ALLOY WHEELS (UK) LIMITED
(2) DEVON THOMPSON
(3) DGT WHEELS AND TYRES LIMITED
(4) JEROME DAVID LAYZELL
(5) DAVID LAYZELL

Defendants

MR. GWILYMY HARBOTTLE (instructed by **Brandsmiths**) appeared on behalf of the
Claimant.

MR. JEROME DAVID LAYZELL and **MR. DAVID LAYZELL** appeared **In Person** and were
not represented.

Defendants One, Two and Three did not appear and were not represented.

Hearing dates: 6-7 July 2020

APPROVED JUDGMENT

COVID-19: This judgment was handed down remotely by circulation to the parties' representatives by email. It will also be released for publication on BAILII and other websites. The date and time for hand-down is deemed to be 2pm on Thursday 30 July 2020.

RECORDER DOUGLAS CAMPBELL QC :**Introduction**

1. This is an action for infringement of the Claimant's registered trade marks, passing off, infringement of the Claimant's registered Community designs ("RCDs") and in the case of the Second Defendant (Mr Devon Thomson, or "D2") breach of contract. The subject matter relates to alloy wheels.

2. The Claimant is the well-known motor company. The Defendants are related to each other in various ways.

- a) The Third Defendant (D3) is the main trading company. It has warehouse premises at Laindon North Industrial Estate, Basildon, retail premises in Wash Road, Basildon, and a website at www.dgtwheels.com.
- b) The First Defendant (D1) is said to operate the warehouse premises and to provide logistical services such as warehousing and despatching to D3 in return for a fee of £1300 plus VAT per week). There was no evidence of actual payment but this does not matter since the Defendants did not actively distinguish between D1 and D3 in any event: see eg paragraph 18.2, 19.2 of the Amended Defence and Counterclaim dated 7 May 2019.
- c) The Second Defendant (D2), Mr Devon Thomson, is sole director and shareholder of D1. He is also the stepfather of the Fourth Defendant, Mr Jerome (or Jay) Layzell (D4).
- d) Mr Jerome Layzell (D4) is sole director and owner of all the voting shares in D3. D2 owned an equal non-voting shareholding which entitled him to dividends. There are no other shareholders.
- e) Mr David Layzell is the Fifth Defendant (D5). He is D4's maternal grandfather.

For convenience I will often refer to the Defendants by their status in the proceedings. No courtesy is intended to Mr Devon Thomson, Mr Jerome Layzell or Mr David Layzell by doing so.

3. None of the Defendants has ever been an authorised BMW dealer, and there is no evidence that any of them have ever sold any genuine BMW goods.

4. The action began with the grant of an interim injunction and search Order by Henry Carr J on 8 June 2018. The material seized upon execution of that Order formed most of the written material considered at the trial. That interim injunction was subsequently extended until judgment or further order.

5. The Defendants were originally professionally represented and served a Defence and Counterclaim attacking validity of the RCDs. The original Counterclaim included a number of poor quality photocopies of prior art alloy wheels and the Defendants acknowledged (at a case management conference heard by Arnold J on 14 February 2019) that if such copies were relied upon and did not adequately identify the features of the item of prior art which it depicted the Defendants would be unable to rely on that item of prior art at trial. Their

Amended Defence and Counterclaim, as settled by counsel, was served on 7 May 2019 but this did not include any clearer copies.

6. The Claimant sued on 73 RCDs, but only had evidence to show that 32 were infringed. In order to make the trial manageable, the parties each chose 5 specimen designs on which the Court was asked to rule. The Claimant chose 5 designs which were all said by it to be infringed whereas the Defendants chose 5 of which only 1 was said by the Claimant to be infringed.

7. From around June 2019 the Defendants have been without legal representation. Moreover, the Second Defendant has been held in HMP Thameside since last year and told the Claimant's solicitor that he was expecting to be there for potentially 10 to 12 years. It is still not clear to me whether he genuinely intended to defend the present action. Even if he did so intend then he took no steps to do so until 30 June 2020, by which time it was too late to arrange a video link from prison. I dealt with this in 2 earlier judgments: see [2020] EWHC 1770 (Pat) and [2020] EWHC 1854 (Pat).

8. On 20 July I received a copy of an undated letter which had been sent by D2 to the Claimant's solicitors by post and scanned to them during the afternoon of day 1 of the trial. This said "My address is below and I would like your company and client to be informed that I intend to represent myself in court as I cannot pay for self representation. The other defendant will represent themselves in person". This shows that D2 intended to represent himself, at least as at the date of this letter, but it leaves matters unclear as to what he actually intended to say.

9. The upshot is that D2 did not attend trial, and I entered judgment against both D1 and D2 pursuant to CPR Part 39.3(1)(c). I made it clear, as BMW also accepted, that it would be open to D2 to apply for that judgment to be set aside under CPR Part 39.3(3).

10. The trial was heard remotely by Skype for Business over 6th and 7th July 2020. I heard oral evidence from Ms Bettina May on behalf of the Claimant (who merely confirmed her witness statement and was not cross-examined), and from D4 and D5 (who were both cross-examined). The main importance of Ms May's evidence related to various documents which were put to D4 and D5.

11. As I will explain in more detail below, the main issue at trial was whether D4 and D5 are personally liable for the acts done by D3. Neither D4 nor D5 disputed any of the facts or matters said to make D3 liable. Nor did D4 advance any evidence, argument or submissions on behalf of D3, of which he is the sole director, although he could have done so. I therefore regard D3 as being formally unrepresented at D4's choice. Thus although D3 was not the subject of any ruling under CPR Part 39.3(3), no matters were raised on its behalf.

Legal context

12. I have entered judgment against D1 and D2, D3 has made no submissions, and the live dispute on liability is limited to D4 and D5. They are only alleged to be liable with D3, not with D1 or D2: see the Amended Particulars of Claim at [8]-[11]. (I disregard the second sentence of paragraph [11(e)] due to its vagueness). However it seems to me that it would be unfair on D4 and D5 to grant injunctions against them on the basis of their liability for acts done by D3 if D3 itself is not liable. There was no dispute as to the relevant law in relation to such liability and I can summarise it as follows.

Trade mark infringement and passing off

13. The relevant law on trade mark infringement was set out by Arnold J, as he then was, in another case about replica alloy wheels: see **BMW AG v Round & Metal Ltd** [2012] EWHC 2099 (Pat). It is not necessary to set out the law on passing off.

Registered Community Design infringement

14. The relevant law on RCD infringement was set out by HHJ Birss QC in **Samsung Electronics (UK) Ltd v Apple Inc** [2012] EWHC 1882 (Pat), approved on appeal at [2012] EWCA Civ 1339. The relevant law on RCD validity is set out at Articles 4-6 of the Designs Regulation, namely Council Regulation (EC) No. 6/2002. In this case, as in many RCD cases, there was a pleaded issue relating to design freedom having regard to Article 6(2). Designer freedom was also considered in **Cantel Medical (UK) Ltd v Arc Medical Design Ltd** [2018] EWHC 345 (Pat) by HHJ Hacon at [171]-[176], [181]. I apply these principles.

Liability of D4 and D5 for acts done by D1/D2/D3

15. It was alleged that D4 and D5 had personally procured or directed the acts of D3, but this was treated as an issue of fact not law. Liability was also alleged on the basis of common design. As set out in **Fish & Fish Ltd v Sea Shepherd UK** [2015] AC 1229, to establish accessory liability on this basis, three conditions must be satisfied (see eg at [21], [37], [49], [55], [57], [100]):

- a. The defendant must have assisted the primary tortfeasor to commit a tortious act (such assistance being more than trivial).
- b. The assistance must have been provided pursuant to a common design between the defendant and the primary tortfeasor that the act be committed.
- c. The act must constitute a tort as against the claimant.

16. Three further points are worth emphasising about these conditions. First, there is no need to show that the alleged accessory intended or knew that the act should be tortious: **Unilever plc v Gillette (UK) Ltd** [1989] RPC 583, 609. Secondly, if a defendant's assistance is minor, but more than trivial, then the proper way of reflecting the defendant's relatively unimportant contribution to the tort is through the court's power to apportion liability, and then order contribution, as between the defendant and the primary tortfeasor: see **Fish v Fish** at [49], [57], [100]. Thirdly, mere facilitation and/or knowledge of the tortious act is not enough: there must be assistance in committing it.

Scope of relief where infringement established

17. The Claimant also made it clear that in the event that it succeeded on validity and infringement of the 6 RCDs where there was specific evidence of infringement, it would seek an injunction covering at least the 4 RCDs where there was no such evidence. It is convenient to deal with this now, although it could wait until judgment.

18. The Claimant relied on **Microsoft v Electro-Wide** [1997] FSR 580. That was an application for summary judgment brought by Microsoft against Defendants who manufactured personal computers pre-loaded with unlicensed copies of the Claimant's software. Laddie J was asked to grant an injunction, or rather a series of injunctions, which

covered unspecified “operating system software”. For instance the first such injunction restrained the Defendants from

“reproducing any substantial part of any piece of operating system computer software in which the Plaintiff owns copyright, or issuing the same to the public, or possessing, distributing, selling or offering or exposing for sale the same in the course of business, in each case without the licence of the Plaintiff.”

19. The Defendants in that case objected to such an injunction on the grounds of width, citing **Columbia Picture Industries v Robinson** [1986] FSR 367 in support of the proposition that even where deliberate infringement of numerous software titles is proved, it does not follow that injunctive relief should extend to a general class of unspecified present or future titles.

20. Laddie J rejected this argument. He analysed the evidence from 4 of the Defendants’ witnesses and held as follows:

“Since I have come to the conclusion that the defendants' assertion that they have never made or issued to the public illicit copies of Microsoft operating system software is simply not credible, this evidence suggests that infringement must have been committed knowingly. In any event, all PCs need operating system software to operate. If, as I have held, the defendants have infringed the plaintiff's copyright by making illicit copies of its operating system software, that is not because the defendants are interested in copying a particular version of that software, such as MS-DOS 6.22, but because they have decided to copy whatever operating system is currently saleable. This constitutes a general threat to infringe the copyright in this class of software. Therefore I have come to the conclusion that Microsoft is entitled to injunctions in the form set out above but limited to operating system computer software.”

21. There are a number of points to notice. First, it is implicit that the Court has power to grant such a wide injunction: see s 37 of the Senior Courts Act 1981. Secondly, Laddie J held that the Defendants’ assertions were simply not credible and that their infringement must have been committed knowingly. Thirdly, he held that the Defendants were not interested in copying a particular version of the Claimant’s operating system software but that there was a general threat to infringe the copyright in that class of software. This reasoning shows that whilst the Court has the power to grant a wide injunction, whether to make such an order is a matter to be decided on the facts of the individual case.

22. The Claimant also drew my attention to **Twentieth Century Fox v British Telecommunications plc** [2011] EWHC 1981 (Ch), [2012] Bus LR 1461, Arnold J and **Independiente Ltd v Music Trading On-Link (UK) Ltd** [2003] EWHC 470 (Ch), a decision of the Vice-Chancellor. I do not consider that either of them takes matters much further forward for present purposes given the different factual context.

- a) **Fox** analyses **Columbia Records**, and in particular the requirement of “knowledge” in relation to knowing infringement at [120], [130]-[135]. However the actual issue in **Fox** concerns a website blocking order, which was granted on behalf of various film studios against certain internet service providers pursuant to s 97A of the Copyright, Designs and Patents Act 1988. The order required the ISPs to block access to a website operated by Newzbin Limited, where Newzbin had already been found by Kitchin J to have infringed the studios’ copyrights on a large scale. The

order granted was the only real way in which Newzbin's activities could be curtailed given the difficulties in addressing online copyright infringement. This is a very different type of situation.

- b) **Independiente** is a case about copyright in sound recordings, brought by members of the British Phonographic Industry Ltd and/or Phonographic Performance Limited (ie trade bodies) against an internet business based in Hong Kong called CD Wow. There is some discussion of **Columbia Records**, again about the issue of knowledge, in paragraph [29], but the actual issue before the Vice-Chancellor was about whether the named Claimants were entitled to act as representatives of the other members of such trade bodies.

23. I will therefore return to this issue after considering the facts.

The facts

The undisputed facts

24. I will begin with the facts which are not disputed. For present purposes I will refer to "the Defendants", by which I mean generally D1 to D3, save where I refer to an individual Defendant.

25. The Claimant first complained to D2 about his activities by a letter from its then solicitors dated 31 July 2012. This letter was also addressed to D5 among others but D5's evidence to me, which I accept, was that it used the wrong address and that he never received it. The letter alleged that D2's then business, a company called DGT Corporation Limited ("DGT Corporation"), was offering a wide variety of alloy wheels which infringed the Claimant's intellectual property rights.

26. In consideration of the Claimant refraining from bringing legal proceedings, D2 and DGT Corporation and others signed contractual undertakings on 3 November 2014 not to infringe a range of the Claimant's intellectual property rights. D5 was not among the signatories although he was aware of the dispute.

27. When the search order was executed, it was found that there was a "badging station" in D3's warehouse and over 1600 infringing wheel centre caps and other badges (including those bearing the Claimant's BMW and MINI trade marks) were seized. D5 identified the badging station from a photograph shown to him. D4 and D5 did not deny that such infringing items had been applied and/or would have been applied to non-BMW alloy wheels. This was realistic because there is no other credible reason for the presence of such items at the warehouse's badging station. In addition the evidence showed that the Defendants purchased replica alloy wheel products (including some with the BMW roundels on them) from a number of suppliers, including one called Euro Racing in China. The Defendants also received replica BMW stickers from a company called Ark Nova.

28. The Claimant's evidence also established, and it was not disputed, that

- a) the Defendants' retail premises had non-BMW wheels on display which bore the BMW roundel trade mark; and

- b) wheels bearing this mark and the Claimant's "M logo" trade mark were supplied via a test purchase.

The Defendants also sold similar goods via an eBay channel.

29. It is true that various defences had been advanced in the pleadings. For instance it was suggested that the large numbers of infringing wheel caps and badges found at the premises had all been unsolicited (see eg Defence at [17.2] and staff were expressly prohibited from applying them (see eg Defence at [17.3.5]). D4 and D5 did not rely on these defences at the trial, and wisely so. Not only are these defences incredible but they are unsupported by, and/or contradicted by, some of the contemporaneous documents such as WhatsApp messages.

30. At the beginning of his evidence D5 said "I accept that [D2] was doing something he should not have been doing". Later he said "If BMW were taking him to court it is obvious he has done something wrong". I do not rely on this particular evidence since it is merely D5's opinion and the fact that an accusation is made does not prove it is true.

The disputed facts

D4's involvement in D3's business

31. D3 was incorporated in March 2012 when Mr Jerome Layzell was 18. He explained that his father, D2, had asked him to help with the formal documents. As noted above, D4 is the sole director and owner of all the voting shares in D3.

32. D4 went to university in around 2013 and finished towards the end of 2016. After leaving university he worked for about a year building a stock system on a laptop for use in D3's business, although he sometimes also worked at weekends as a tyre fitter. An HSBC bank statement shows D4 being paid by D3. The sums were about £300 on 17 March 2017 with payment reference "Week 50" (D607), and about £240 on each of 17 Feb 2017 (reference "Week 46") and on 31 March 2017 (reference "Week 52"): see D604, D602.

33. D4 was originally the main signatory on D3's bank account and as such sometimes signed cheques. D4 explained that he made all such payments on the instruction of D2, his stepfather. On 30 October 2017 HSBC sent D4 a replacement security device for use in relation to this bank account: see D1901. D4 did not always have this security device in his possession. He said, and I accept, that "[D2] pretty much dealt with banking".

34. D4 was named by the Defendants under a motor insurance policy for both personal and business use: see D1883. He explained to me, and I accept, that he actually drove a Volkswagen Scirocco R line, which was only suitable for personal and not business use.

35. D4 sometimes took wheels out of the warehouse: see D156, D170, D172. These wheels might be taken to the badging station or simply moved around the warehouse, but he agreed that sometimes he took wheels to the badging station. It was not shown that any of the wheels moved by D4 were BMW wheels.

36. D4's evidence was unclear as to whether he personally put any BMW caps or badges on to any wheels. However I find that he must have known that at least part of D3's business involved selling replica BMW wheels to which BMW's trade marks had been attached. I do

not think he actually denied that but in any event D3 is a relatively small family business; the infringing activity was a significant part of that business; the presence of infringing BMW logos sorted into containers near the badging station is not disputed, and D4 had no alternative explanation as to what they were doing there. D4 also struck me an intelligent young man, and given both his position in the company and his relationship with his father it would be unrealistic for me to reach any other conclusion.

37. D4 left for China on 2 September 2017 to take up a scholarship to study Mandarin Chinese at Tianjin Foreign Studies University. He returned to the UK on 15 January 2018 but went back to China around March 2018. He did visit D3's shop a few times between January and March to see people but was not working there. When he returned to China in around March 2018 he changed school, and stayed there until around Christmas 2018. His final trip to China, when he studied at a third school, was from 17 January 2019 to 1 July 2019. The dates of his trips to China are evidenced by stamps in his passport.

38. There was no evidence that D4 had had any involvement in D3's business at any time after 2 September 2017. He did meet a business friend of his father's when in China, but only as a courtesy and he conducted no business there. He agreed that he remained a signatory of the bank account while he was in China, but it was not put to him that he actually signed anything whilst there.

D5's involvement in D3's business

39. Mr David Layzell worked for 32 years for a major manufacturing company, which he did not name but which was bigger than BMW. He had ended up as its European customs compliance manager, and as such he had ensured its engines met US market requirements. He is now aged 65 and retired. He had lent £10 000 to D2 in 2010 to start the business for family reasons, since D2 was married to his daughter. This loan is being paid off at the rate of about £250 per month. He had never been a director or drawn a wage. He was aware of the previous dispute between the Claimant and D2 in 2012. Thus far his evidence was not disputed and I accept it.

40. Mr David Layzell also said that he assisted D2 in doing "some clerical work within DGT", and that he had never been involved in procurement or actual sales of wheels. This part of evidence was explored in cross-examination by reference to various documents. My findings are as follows.

41. Mr David Layzell started to help D2 in the Defendants' business in about 2010 or 2011. By 2012, if not before, he was doing jobs such as buying thousands of US dollars for use in buying wheels: see D841, D906. By November 2014 he was working 2-3 days per week at the business, except when on holiday. He used a filing room on the first floor of the Defendants' Wash Road premises as his office when he was there.

42. He raised invoices for the Defendants' business, and posted or emailed them to customers. He explained that until he started raising invoices, that work was not done very professionally and he did not identify anybody else in the business who ever raised invoices once he had started doing it. In February 2018 he booked freight wheels to Sweden, Norway, Germany, Italy, Spain and the Netherlands. He became a bank signatory on D3's account at some stage and also signed cheques. For instance D5 signed a cheque dated 8 June 2018 for £3 415.90 to a customs broker: see B213. He processed refunds and payments, at least when D2 was unavailable. He managed D3's wages: in particular, he sent the list of hours worked

by D3's employees to its accountants, who would send them him pay slips and he would make the bank payments on behalf of D3. Sometimes he would collect money from reluctant payers.

43. Mr David Layzell was not involved in the direct application of infringing BMW badges to wheels or any other acts of infringement. However I find that he must have known the infringement was happening within D3's business, for similar reasons as I have made the same finding in relation to D4. Indeed he is even more likely to have known about this than D4 given (a) his involvement in D3's business was much more extensive than that of D4, as the above analysis shows (b) his knowledge of BMW's previous complaint in 2012. Again it would be unrealistic to conclude otherwise.

Analysis

The trade mark/passing off case

44. I find that D3 (and for that matter both D1 and D2, against whom I have already entered judgment) has infringed all of the Claimant's trade marks relied upon, and has committed acts of passing off. There was abundant undisputed evidence at trial to support that conclusion: see eg the Claimant's skeleton argument at [3]-[4], [22], [24]-[28], [30], [32]-[41]. I have referred to some of it above and in the interests of proportionality I do not propose to set out any more.

The Registered Community Design case

45. I can deal with the registered design case briefly as well. The Claimant's 5 specimen RCDs pursuant to paragraph 3 of the Order of Arnold J dated 14 February 2019 are: 002707240-0001, 002460097-0003, 003299338-0009, 001804675-0002, and 002015602-0004, all of which are said to be infringed. The Defendants' 5 specimen RCDs are 000398052-0001, 000440813-0006, 000511639-0003, 000923388-0002, and 001598277-0011. Of these 5 specimens, only the 4th is said to be infringed: see PoC Annex 5, no. 23.

46. First, although there are some technical constraints on the degree of freedom of the designer these are largely irrelevant in the present case. For instance it is true that the wheels must be circular, must fit tyres and bolts of standard sizes, etc but nothing turns on any of that. The important points for present purposes are the number and shape of the spokes, the shape of the central structure and various differences in the designs of the rims.

47. Annex 6 to the Particulars of Claim compares the registered designs relied upon with images of the wheels seized at the Defendant's premises. I find that each of the 6 designs said by the Claimant to be infringed is infringed. See for instance comparisons 26 to 31, in relation to RCD no. 002015602-0004: in each case the Defendants' wheels do not produce on the informed user a different overall impression compared to the Claimant's design. Here are some examples:

| | | | |
|-----|--|--|----------------|
| 26. | | | 002707240-0001 |
| 27. | | | 002707240-0001 |
| 28. | | | 002707240-0001 |

48. As I have already indicated, the validity attack is hampered by the fact that so many depictions of the alleged prior art are illegible. The high point of the validity attack against any design was the citation of one of BMW's own earlier designs against one of its later designs. Specifically, RCD no. 002015602-0004 was cited as prior art against RCD no. 003299338-0009. I attach an extract from Annex 6 to the POC which shows both designs, together with the Defendants' wheels said to infringe each RCD.

| IMAGE OF WHEELS SEIZED AT THE DEFENDANTS PREMISES | BMW COMMUNITY DESIGN | COMMUNITY DESIGN NO. |
|---|----------------------|----------------------|
| 1. | | 002015602-0004 |
| 18. | | 003299338-0009 |

49. In my judgment these illustrations show both why the ‘338 design is valid over the ‘602 design and also why the Defendants’ products infringe both RCDs. It is easier to see the point than to explain it in words, but the difference in the appearance of the spokes in ‘338 (together with other smaller differences) is such that ‘338 produces a different overall impression on the informed user than does ‘602. It follows that the ‘338 design has individual character with respect to ‘602, although the scope of protection will be relatively narrow. However the Defendants’ products do not produce a different overall impression on the informed user with respect to the Claimant’s designs in each case. The latter conclusion is not surprising since the Defendants’ products are sold as being replicas.

Joint liability of D3 with D1 and D2

50. This was admitted in the Defence and Counterclaim with respect to D1 and trade mark and passing off: see again paras 18.2, 19.2. Although not formally admitted I find it proved with respect to D1 and RCD infringement as well. The contrary was not argued. I also find that D2 was jointly liable with D1 in relation to all 3 causes of action: again, the contrary was not argued.

Liability of D4 for the infringing acts of D3

51. There is no clear evidence that Mr Jerome Layzell personally committed any of D3’s infringing acts, nor that he directed and/or procured any such acts. Furthermore, it is plain that his responsibility for D3’s infringement was far less than that of his father, Mr Devon Thomson. Nevertheless it appears to me that over the period leading up to 2 September 2017 he provided more than trivial assistance to D3 to commit D3’s acts of trade mark infringement, passing off, and RCD infringement, and that he did so pursuant to a common design with D3 that such acts be committed. D4 did not intend that such acts were tortious but that is irrelevant.

52. I do not rely just on the fact that D4 was at all times the sole director and owner of all the voting shares in D3. That of itself would be consistent with him merely exercising his constitutional role as a director of D3. However I rely on the combination of that with: being the main signatory on D3’s bank account, at least until D5 became a further signatory; signing cheques for D3; working in D3’s business (as a tyre fitter, in the warehouse, and writing his stock control program), and drawing wages from D3; all of which was done in the knowledge that at least part of D3’s business involved selling replica BMW wheels to which BMW’s trade marks had been attached. This amounts to more than trivial assistance as part of that common design.

53. That said, all of this came to an end when he first left for China on 2 September 2017. He could in theory have carried on participating in D3’s business thereafter, even when in China, but there is no evidence that he did. I therefore find that D4 is not liable for D3’s acts from 2 September 2017 onwards.

Liability of D5 for the infringing acts of D3

54. There is no clear evidence that Mr David Layzell personally committed any of D3’s infringing acts either, nor that he directed and/or procured any such acts. Furthermore, his responsibility for D3’s infringement was again less than that of Mr Devon Thomson. Again, however, it appears to me that D5 provided more than trivial assistance to D3 to commit D3’s acts of trade mark infringement, passing off, and RCD infringement, and that he did so

pursuant to a common design with D3 that such acts be committed. D5 did not intend that such acts were tortious either, but that is again irrelevant.

55. I do not accept D5's evidence that his assistance was merely clerical. On the contrary I agree with the Claimant that it is difficult to see what would have happened in terms of business administration for D3 without D5's activities. D5 performed all of the important office tasks necessary for the infringing activities to carry on during the 2-3 days each week he spent in D3's office. That included invoicing, making payments and refunds, chasing for payments, arranging shipping and supply, and payroll – and, as with D4, he did so knowing that at least part of D3's business was infringing. The fact he did these tasks for no payment does not matter.

Relative contributions of the individual Defendants

56. It will be apparent from the above that as between the individual Defendants (ie D2, D4, D5), D2 was the most responsible for the acts of D3 and D4 was the least responsible, with D5 somewhere in the middle. However I am not asked to make any formal order in this respect and I shall not do so.

Scope of injunction

57. Thus far I have concluded that the Claimant wins on 6 out of the 10 specimen RCDs. I will ignore the parties against whom an injunction might be granted for the moment: indeed, the Claimant recognised at the trial that D4 might be in a different position for this purpose.

58. The question is: should the injunction be limited to these 6 designs, or should it go further? I find that it should be limited to the 6 designs.

59. First, I am not satisfied that there is a general threat to infringe *all* of the Claimant's designs. I am not even satisfied there is a threat to infringe the 4 designs where no specific evidence of infringement has been found. This is for the very reason that there is no such evidence. Thus the case is different to **Electro-Wide**.

60. Secondly the Claimant sought to justify the wide relief sought by an argument that these 4 designs were selected by BMW for inclusion in the action "on the basis that they were (and remain) popular designs": see its skeleton argument at [42]. The Claimant submitted that the Defendants had offered a vast range of different wheels and that "Accordingly, there is a reasonable inference that wheels made to popular designs were displayed or sold...".

61. I will assume that this argument might support a claim to wide relief if it was made out, but it was not. When I asked for the evidence that these 4 designs were popular designs, I was told that it was just a submission. Nor was this argument either pleaded or put to D4 and/or D5 in cross-examination. It also seems contrary to logic. If these BMW designs are so popular, and the Defendants' range so vast, why is there no evidence that these designs are infringed?

62. Thirdly, I am not sure that the logic set out in the cases relied upon by the Claimant (all 3 of which relate to copyright) necessarily applies to registered community designs anyway. A consumer for some unlicensed music or films might well also be a consumer for other unlicensed music or films, particularly if they are all available for no extra payment by that consumer. In those circumstances a wide injunction against a supplier of unlicensed music or

films may be appropriate. However a consumer of alloy wheels is more likely to have one, and only one, specific design in mind. This is particularly so if that consumer only has one vehicle and is bearing in mind the cost of buying a full set of 4 alloy wheels. No doubt this argument can be explored further in a case where it matters.

63. This still leaves the question of what to do about the balance of pleaded RCDs which were not selected for trial as specimens. I believe there are 63 such RCDs, of which there is specific evidence of infringement in relation to 26. I will hear the parties on that issue.

Conclusion

64. For the reasons set out above:

- a) The Claimant wins against each of D1 to D3 on each of trade mark infringement, passing off, and RCD infringement. The Claimant also wins against D2 on its breach of contract claim.
- b) The counterclaim for invalidity of the RCDs is dismissed.
- c) Mr Jerome Layzell is jointly liable with D3 up to 2 September 2017, but not thereafter.
- d) Mr David Layzell is jointly liable with D3 at all material times.
- e) The Claimant is not entitled to injunctive relief in relation to RCD infringement which goes beyond the 6 RCDs on which it has succeeded.