



20 Jul 2021 High Court issues landmark decision on industrial design infringement

Uganda - [Bowmans](#)

- **This is the first High Court decision on the infringement of industrial design rights**
- **Although Migoo commissioned the industrial design at issue and started using it first, Rida registered an identical design before Migoo**
- **The court issued a permanent injunction against Rida and awarded a high amount of damages to Migoo**

On 28 June 2021 the High Court of Uganda rendered a landmark decision in *Migoo Industrial and Trading Company (U) Limited v Rida International Industry (U) Limited* (Civil Suit 0359/2019). Plaintiff Migoo had sued defendant Rida for infringement of its industrial design.

Background

In 2012 Migoo contacted Mr Li Dong Biao to design an industrial mould for the production of gumboots. However, in 2016 Mr Li incorporated Rida, which also manufactured and sold gumboots. Rida's gumboots were identical to those produced by Migoo in design, shape, colour and sizes.

Rida registered its industrial design in 2018, before Migoo registered its own design in 2019. However, Migoo had begun the production and sale of gumboots with the distinctive design in 2012.

Decision

This is the first Ugandan High Court decision on the infringement of industrial design rights.

For a claim to succeed, one must prove that they have a validly registered industrial design and that another party is using the same design, or a design not differing substantially from it, applied to the same product.

In determining whether a design is identical, or similar, to a registered design, the court must make a visual comparison of the two products. The court noted that it would "find an infringement if the resemblance is such as to deceive such an observer, inducing him or her to purchase one supposing it to be the other".

In determining the similarity between the two products, the court considered:

- the nature of the goods to which the industrial design was applied;
- the intended purpose of such goods;
- the method of use of the goods;
- the complementarity of the goods;
- whether the goods were in competition with each other;
- the respective distribution channels of the goods;
- the relevant consumer circles;
- the degree of freedom of the designer in developing the design; and
- the usual origin of the goods.

Given the strong similarity between the conflicting designs and the similarity between the goods concerned, the court found that there was a likelihood of confusion on the part of the relevant public, and that Rida had infringed Migoo's industrial design in respect of the gumboots.

The court issued a permanent injunction preventing Rida from reproducing Migoo's industrial design, and awarded Migoo:

- special damages in the amount of NUSh6.5 billion (approximately \$1.83 million);
- general damages in the amount of NUSh5.5 billion (approximately \$1.55 million);
- interest on the damages at 15% per annum; and
- the costs of the suit.

Comment

The decision raises the issue of whether the proprietor of a registered industrial design can infringe an earlier similar/identical industrial design that was registered after the proprietor of the later design obtained a registration.

Given that the right to apply for registration of an industrial design lies with the party which commissioned the design (in this case Migoo), Rida had no right to apply for registration of a design that had been commissioned and used for several years by Migoo.

Therefore, the court ought to have revoked or invalidated Rida's industrial design registration under Section 90 of the Industrial Property Act 2014 before making a finding of infringement. A revoked registration ceases to have effect from the date of the grant of the certificate of registration and, therefore, any unauthorised use on Rida's part would be a clear infringement.

Nonetheless, this outcome encourages manufacturers to innovate, register their industrial designs and aggressively enforce their rights against infringers; in particular, it will assist manufacturers in their fight against the importation of low-cost imitations.

The decision is notable for awarding NUSh12 billion (approximately \$3.3 million) in general and special damages for the infringement of IP rights, an amount that has undoubtedly sent shock waves through the market.

Brian Manyire

AF Mpanga Advocates (Bowmans Uganda)

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