

Delhi High Court

Mohan Lal Proprietor Of Mourya ... vs Sona Paint & Hardwares on 15 May, 2013

Author: Rajiv Shakdher

* THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment reserved on: 19.02.2013
Judgment delivered on: 15.05.2013

+ CS(OS) 384/2008

MOHAN LAL, PROPRIETOR OF
MOURYA INDUSTRIESPlaintiff
Through: Mr Ashok Goel & Mr Ranjeev Kumar, Advs.

Vs

SONA PAINT & HARDWARESDefendants
Through: Mr Mohan Vidhani, Mr Rahul Vidhani & Mr
Arun Jain, Advs.
Ms Pratibha M. Singh, Advocate, amicus curiae.

+ CS(OS) 1446/2011

MICOLUBE INDIA LIMITEDPlaintiff
Through: Mr S.K. Bansal, Mr Vikas Khera & Mr
Pankaj Kumar, Advs.

Vs

RAKESH KUMAR Trading as
SAURABH INDUSTRIES & ORS.Defendants
Through: Mr Pravin Anand & Mr Saif Khan Advs.
Mr Sudhir Chandra Aggarwal, Sr. Adv. with Mr
Jaspreet Sareen & Mr Angad Varma, Advs. for the
Interveners.
Ms Pratibha M. Singh, Advocate, amicus curiae.

CORAM :-

HON'BLE MR. JUSTICE SANJAY KISHAN KAUL

HON'BLE MR. JUSTICE MANMOHAN SINGH

HON'BLE MR. JUSTICE RAJIV SHAKDHER

RAJIV SHAKDHER, J

CS(OS) Nos. 384/2008 & 1446/2011

Page 1 of 47

CS(OS) No. 348/2008

CS(OS) No. 1446/2011 & IA Nos. 9537/2011 (by plaintiff), 13404/2012 (by
defendant no. 4) & IA No. 11874/2012

1.

The captioned suits in the first instance came to be filed in the District Court on an application being moved under Section 22(4) of the Designs Act, 2000 (in short the Designs Act), CS(OS) 348/2008 (originally numbered as CS(OS) 358/2007, was transferred to this court vide order dated 11.02.2008, while CS(OS) 1446/2011 (originally numbered as 45/2011) was, similarly, transferred to this court vide order dated 19.05.2011, on an application moved by the plaintiff, like in the other case, under provisions of 22(4) of the Designs Act.

1.1 These applications were transferred and moved as, in the written statements filed defences, which are available under Section 19 of the Designs Act, were taken.

2. Mr Justice Manmohan Singh by an order dated 30.03.2012, while hearing arguments on two interlocutory applications, one filed by the plaintiff and the other filed by defendant no. 3 in the said suit for vacation of ex-parte order, passed by the learned Additional District Judge (ADJ), referred the matter to a Larger Bench in view of the dichotomy in the opinions expressed by various Benches of this Court in respect of issues which would have a bearing on matters in issue in the said suit.

2.1 Since, similar issues, evidently, arise in CS(OS) No. 384/2008, Mr Justice Manmohan vide order dated 31.03.2013, referred the said suit to a Larger Bench in view of the order of reference passed in the other suit..

3. Accordingly, the captioned suits were placed before the Full Bench.

4. Mr Justice Manmohan Singh (who is also a member of the Full Bench) vide order dated 30.03.2012 has sought a decision on the following issues:

I. Whether the suit for infringement of registered Design is maintainable against another registered proprietor of the design under the Designs Act, 2000?

II. Whether there can be an availability of remedy of passing off in absence of express saving or preservation of the common law by the Designs Act, 2000 and more so when the rights and remedies under the Act are statutory in nature? III. Whether the conception of passing off as available under the Trade Marks can be joined with the action under the Designs Act when the same is mutually inconsistent with that of remedy under the Designs Act, 2000?

5. In order to appreciate the background in which the aforesaid issues have been raised, it may be relevant to very briefly advert to the pleadings in the two suits before us. For this purpose, we would be referring to the parties in the two suits by their respective names or abbreviated names wherever it is found convenient. In the first suit, plaintiff would be referred to as Mohan Lal, while the defendant, Sona Paints & Hardware would be referred to as SPH. In the second suit, the plaintiff Micolube India Ltd. will be referred to as MIL, while the defendants being many, will be collectively referred to as defendants.

CS(OS) No. 384/2008

6. Mohan Lal, who is the proprietor of M/s Mourya Industries, claims to be in the business of manufacturing and trading of mirror frames, door pipe handles, hinges, almirah locks and almirah lock plates.

6. It is averred that in 2005, he developed novel and distinguishable designs of mirror frames, which were submitted for registration with the authorities constituted under the Designs Act. Apparently, in respect of mirror frames two registrations bearing no. 202050 and 202051, of even date, i.e., 09.11.2005, in class 06 - 07, were made in favour of Mohan Lal. 6.2 It is also averred that similar applications, for registration, in 2006, were made in class 08-06 qua: hinges, two different and distinguishable almirah lock plates and a door handle. The petitioner claims that, the said designs being new, original and novel, were registered on 15.03.2006 vide registration nos. 203506, 203507, 203508 and 203509, respectively.

6.3 In respect of each of the aforementioned designs it is averred that they are new, novel and distinguishable. It is also averred that, Mohan Lal is the originator, inventor, owner and lawful proprietor of the aforementioned registered designs. It is averred that, in October, 2007, Mohan Lal became aware of the fact that SPH had clandestinely commenced manufacturing mirror frames, door handles of almirah etc. bearing designs which were identical and similar to those in respect of which Mohal Lal claimed proprietary rights.

6.4 Consequently, a legal notice dated 13.10.2007 was issued to SPH . SPH, evidently, sent a reply dated 18.10.2007 which, according to Mohan Lal, was vague and misleading. This necessitated, institution of a suit for permanent injunction, passing off, damages and rendition of account of profits earned as also for delivery of the goods of SPH, which are, imitations of the designs registered in the name of Mohan Lal. Delivery is also sought for destruction of packaging, advertisement materials, stationery, dies etc. on which, imitation designs are reproduced.

6.5 SPH, on the other hand, in its defence has pleaded that the designs in issue, were wrongly registered in favour of Mohan Lal, and that, they are neither new nor original. Being in public domain, it is averred, they ought not to have been registered in the first instance. It is thus the stand of SPH that, the designs in issue, are liable to be cancelled on this ground alone as they do not fulfil the criteria prescribed under Section 4(a) and 4(b) of the Designs Act. It is pleaded that the designs are trade variants of prior publication and thus, as indicated above, liable to be cancelled.

6.6 More specifically, SPH pleads that in respect of mirror frame registrations bearing no. 202050 and 202051, there is a prior registration bearing no. 189330 in favour of a person by the name of Mr. Gopal Panchal, trading under the name and style of Reveria Steel India, situate at 72, Periyar Colony, Indore, state of Madhya Pradesh.

6.7 It is further averred that the design, "frame of mirror" is registered in favour of SPH vide registration no. 206510, and therefore, Mohan Lal cannot maintain a claim for piracy and infringement, qua SPH, vis-à-vis the said registration. An alternative plea has also been taken that, the design of SPH is different. A similar plea is taken qua other designs in respect of which the registrations have been obtained by Mohan Lal.

6.8 It is also pleaded that Mohan Lal has concealed the fact that, he had dealt with SPH and had sold his goods, bearing the designs in issue, to SPH. CS(OS) No. 1446/2011

7. MIL, claims to be in the business of manufacturing and marketing petroleum products, and brake and clutch fuel oil, lubricating oil and greases as also other allied and cognate products (hereinafter collectively referred to as products). It is averred that, these products are sold in containers which have original and novel designs, and that, MIL is the author and the owner of these designs.

7.1 MIL claims to have created two such novel and original designs in 2008. It is averred that, in respect of one of the two designs created, it has obtained registration on 10.12.2008, under the Designs Act, bearing no. 220071. MIL claims that the said containers have a novel shape, configuration and pattern and that the design has aesthetic qualities which are appealing to the eyes of the holder. The designs by themselves, it is averred, have no bearing on the efficiency of the products in issue.

7.2 MIL claims to have sold the aforementioned products in the containers designed by it, over a period of time, with annual sale running into several lakhs.

7.3 It is claimed that defendants 1 to 4 are in the same business of manufacturing and marketing, industrial oils, greases, oil and lubricant oil etc. and other allied products. It is further averred that, the defendants, who are inter-related (though the exact nexus and constitution of defendants is not known), are selling their goods in containers which have designs identical to those of MIL. The containers of the defendants bear the same shape and configuration as those of MIL and hence, are fraudulent and obvious imitation of the designs in which MIL claims proprietorship. It is also averred that, at a given point in time, defendant nos.1 and 4 were Directors in MIL. 7.4 It is claimed that in February, 2011 MIL became aware for the first time of the fact that the defendants had been selling their goods in containers which bore designs similar to those of MIL. It is inter alia averred that, since the infringement of the registered designs of MIL and the tort of passing off took place in Delhi, this Court has the necessary jurisdiction to entertain and try the suit and hence the decision to approach this court, by way of the present suit. 7.5 The reliefs claimed in this suit are identical to the earlier suit. The relief sought are in the nature of : grant of permanent injunction, rendition of accounts of profits illegally earned by the defendants, delivery of finished and unfinished material bearing designs, over which MIL claims proprietorship. 7.6 The contesting defendant, i.e., defendant no. 3, apart from preliminary objections raised in the written statement, has taken the usual defences, which are that : MIL is not the proprietor of a new and original design and has instead pirated the design from other lubricant manufacturers. This averment is supported with the submission that, MIL has not placed on record drawings, CAD models, patterns and any R&D process adopted for creation of the designs in issue nor, is there any bill, invoice or any Memorandum of Understanding filed, which would show the terms arrived at with the designer/ artist who purportedly was instrumental in designing the containers in respect of which, MIL is claiming proprietorship. A challenge is laid to the registration obtained by the MIL on the ground that, it was obtained by playing a fraud on the concerned statutory authority, i.e., the Controller of Designs. It is further averred that, MIL should be put to strict proof of its claim of having been made sales running into lakhs of rupees, and also, with regard to the assertion made, of having spent huge

sums of money on advertisement and promotion of products, sold in containers bearing the designs in issue.

7.7 The defendants claimed to have obtained two trade mark registrations in class 4 bearing no. 1653586 and 736355. The defendants trademark is MECO claimed to have used this trade mark since 1993.

7.6 Preliminary objections have been raised in respect of the following: (I) that the registration certificate itself bears a disclaimer that it is not to be made use in the legal proceedings or for obtaining registration abroad; (ii) the suit is barred under Section 2(d) of the Designs Act¹ and hence the plaint is liable to be rejected under Order 7 Rule 11 of the Code of Civil Procedure, 1973 (in short the Code); (iii) the Court does not have the territorial jurisdiction to entertain and try the suit, and (iv) lastly, the suit is barred under the provisions of Order 2 Rule 2 of the Code as it does not include the entirety of MILs claim.

2 (d) "design" means only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 or property mark as defined in section 479 of the Indian Penal Code or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957

SUBMISSION OF COUNSELS

8. In the broad background of the pleadings referred to above, arguments in this matter were addressed on behalf of the plaintiff in CS(OS) No. 384/2008 by Mr Ashok Goel, Advocate, and those, on behalf of defendants by Mr Mohan Vidhani, Advocate. In CS(OS) No. 1446/2011, arguments on behalf of the plaintiff were addressed by Mr S.K. Bansal, Advocate. The defendants were represented by Mr Pravin Anand, Advocate. Arguments in interlocutory application : IA No. 11874/2012 were advanced by Mr Sudhir Chander Aggarwal, senior counsel. This application has been filed, in CS(OS) 1446/2011, as the applicant has preferred an appeal being: FAO(OS) No.326/2007, in which, it is stated that issue no.II, culled out hereinabove, arises for consideration. The said appeal as directed by the Division Bench vide its order dated 30.04.2012 is to be taken up for hearing post the decision of the Full Bench. Ms Pratibha M. Singh, Advocate in her capacity as an amicus curiae has also, advanced submissions in the matter.

9. The submissions made by Mr Goel were as follows. In respect of issue no.I it was submitted that a suit for infringement of a registered design as against another person claiming to have obtained registration in his favour, was maintainable, for the following reasons:

9.1 That only that design could be registered which was new or original. In other words, the designs which were neither new nor original, or were not significantly distinguishable from other known designs or combination of known designs, could not be registered. This submission, according to Mr

Goel, flowed from a combined reading of Section 2(j)2 and Section 4 of the 2 (j) "proprietor of a new or original design",-

(i) where the author of the design, for good consideration, executes the work for some other person, means the person for whom the design is so executed;

(ii) where any person acquires the design or the right to apply the design to any article, either exclusively of any other person or otherwise, means, in the respect and to the extent in and to which the design or right has been so acquired, the person by whom the design or right is so acquired; and Designs Act. It was thus contended, that under Section 19, "any person" could file a petition for cancellation of a registered design on any of the grounds referred to above. Therefore, any design which was registered subsequently, was obviously neither new or original and hence a registrant holding such a registration could never be considered to be in possession of a valid registration.

9.2 It was contended that, Section 223 of the Designs Act, prohibited any person for the purposes of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the registered design or

(iii) in any other case, means the author of the design; and where the property in or the right to apply, the design has devolved from the original proprietor upon any other person, includes that other person.

22. (I) During the existence of copyright in any design it shall not be lawful for any person-

(a) for the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or

(b) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof, or

(c) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

2. (1) If any person acts in contravention of this section, he shall be liable for every contravention-

(a) to pay to the registered proprietor of the design a sum not exceeding twenty-five thousand rupees recoverable as a contract debt, or

(b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, to pay such damages as may be awarded and to

be restrained by injunction accordingly: Provided that the total sum recoverable in respect of any one design under clause (a) shall not exceed fifty thousand rupees:

Provided further that no suit or any other proceeding for relief under this subsection shall be instituted in any court below the court of District Judge. (3) In any suit or any other proceeding for relief under subsection (2), every ground on which the registration of a design may be cancelled under section 19 shall be available as a ground of defence. (4) Notwithstanding anything contained in the second proviso to sub-Section (2), where any ground on which the registration of a design may be cancelled under section 19 has been availed of as a ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceedings shall be transferred by the Court in which the suit or such other proceeding is pending, to the High Court for decision. (5) When the court makes a decree in a suit under sub-section (2), it shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs.

any of its fraudulent or obvious imitation. In other words, it was claimed that Section 22 permitted infringement actions against any person, who had been granted registration for identical or similar design.

9.3 That such an action was permissible, according to Mr Goel, was evident from the fact that the Trademarks Act, 1999 (in short the Trademark Act), which was enacted only a year prior to the Designs Act, specifically excluded action against another registered proprietor. Reference in this regard was made to Section 29, 29(1), 29(2) and 30(2)(e) of the Trademarks Act. 9.4 It was contended that a reading of provisions of Section 22(4) of the Designs Act would show that the High Court was vested with the power to direct cancellation of registered designs, as long as the grounds raised were those, which fell, within the provisions of Section 19 of the Designs Act. Reliance in this regard was also placed on Section 22(5) of the Designs Act. 9.5 As regards the other two issues, it was submitted that not only was the passing off remedy available but that both could be combined in a single action, as they were not mutually inconsistent. In this context, it was contended that, passing off was a common law remedy, which related to a tortious act of the defendant whereby the defendant represented his own goods as someone else's goods. The misrepresentation made is intended to injure the goodwill generated by the plaintiff's business and cause actual damage to him. The tort of passing off is not confined to trademarks but extends to slogans, visual images, patterns and/or ornamentation when they become part of the goodwill and reputation of the product. It was submitted that, as long as there is no prohibition from instituting an action of passing off, the access to that remedy cannot be denied to a plaintiff.

9.6 Mr Goel submitted that the argument often made that because there is saving of the remedy of passing off under the Trademark Act, which is not so in the case of Designs Act, and hence no remedy by way of passing off is available in cases of designs, is an untenable argument for the following reasons:

9.7 Section 27(1)4 of the Trademarks Act makes it clear that there can be no infringement action in respect of an unregistered trademark. This assertion in sub Section (1) of Section 27 could have caused confusion and, therefore, the legislature by way of abundant caution in Sub Section (2) of

Section 275 has made a provision for saving the remedy of passing off.

9.8 Under the Trademarks Act, there is a recognition of a legislative policy of recognising multiple owner i.e., registered proprietors of an identical or a substantially similar mark and it is for this reason perhaps that the remedy of a passing off action, is saved by inserting a provision such as Sub Section (2) of Section 27. The fact that there is recognition of multiple ownership i.e., registered proprietors of a trademark is quite evident on a perusal of Sections 28, 29(1), 29(2) and Section 30(2)(e) of the Trademarks Act. 9.9 It was submitted by Mr. Goel that, the expiration of the statutory period for design during which the proprietor has monopoly on the use of the design, would not mean that, once the design passes into public domain, the proprietor would not have a remedy of passing off, available to him. By way of example, it is sought to be contended that if, for example, a design was not used as a trademark during the statutory period, for which it was registered, but came to be used as a trademark once it became available in public domain then, could a right to protect the use of the mark by another person be denied if the plaintiff is able to demonstrate that while the mark was in public domain he had used the mark to which a substantial goodwill was attached.

27. (1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

27 (2) Nothing in this Act shall be deemed to affect rights of action against any person for passing of goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

10. It was submitted that while in order to establish the tort of passing off a higher degree of proof would perhaps be required than, in an action for infringement under the Designs Act, the remedies by themselves were independent of each other. The remedy of passing off had its source in common law, and was thus, a perpetual remedy available to the plaintiff. In this behalf reliance was placed on the judgment of the Chancery Division, England and Wales in the case of Numatic International Ltd. Vs Qualtex UK Ltd. [2010] EWHC 1237 (Ch.). It was submitted that a remedy of passing off action was available to protect the rights which inhere in a shape, pattern or an ornamentation which has gained secondary meaning amongst consumers. The design, it was submitted, protects non-functional attributes which relate to aesthetics and are pleasing to the eye. Mr Goel, thus contended that, therefore, a remedy by way of a passing off action was available both during the subsistence of the statutory right created in a design and thereafter. The remedy of a passing off as against design infringement were independent of each other, therefore, did not impinge upon each other. Since the two remedies were not mutually inconsistent and thus not destructive of each other, both actions, could be combined in one suit.

11. On the other hand, Mr Vidhani submitted that the Designs Act was a self-contained code. Under Section 116, a registered proprietor was conferred with a copyright in a design for a period of ten (10) years which was extendable for a further period of five (5) years. The Designs Act made no distinction between a prior and a subsequent registration qua a design. The expression "any person" under Section 22 would have to be a person other than a registered proprietor as the subsequent

registered proprietor obtains a copyright in terms of Section 11 of the Designs Act. Having obtained a

11. (1) When a design is registered, the registered proprietor of the design shall, subject to the provisions of this Act, have copyright in the design during ten years from the date of registration.

registration, it cannot be said that the subsequent registrant, has obtained an unlawful registration.

11.1 What is provided under Section 22(3) of the Designs Act are grounds to challenge of the registration, in an infringement proceedings, which are otherwise available as grounds for cancellation of a registered design. This, however, does not confer on the High court the jurisdiction to invalidate or cancel a registration; that power is available under Section 19 only to the Controller of Designs. Therefore, a suit for infringement cannot lie against another registered proprietor. Reliance in this regard was placed on a judgment of a Single Judge of this Court in the case of Tobu Enterprises Pvt. Ltd. vs Megha Enterprises & Anr. 1983 PTC 359 (in short Tobu Enterprises).

11.2 Mr Vidhani submitted that the only remedy available to a prior registered proprietor of a design would be to seek cancellation of an infringing subsequent registration under Section 19 and not by way of a suit, the basis of which resides in Section 22 of the Designs Act.

11.3 As regards issue no.II, it was submitted that rights qua a design flow from a statute, i.e., the Designs Act, and not from common law. Like the Trademarks Act, which recognizes the remedy of a passing off action, there is no such provision under the Designs Act. In that sense, the rights qua both a patent and a design are statutory in nature. It is submitted that the remedy of passing off is a common law remedy; and it is only those common law remedies which existed prior to the enactment of the Constitution and to the extent that they were saved by statutory provisions, would continue to operate.

11.4 The legislature was cognizant of this fact, since it had under the provisions of Section 27(2) of the Trademarks Act specifically saved the remedy of a passing off action. The Designs Act which was enacted thereafter consciously excluded the said remedy. In other words, a remedy which is not provided in the statute cannot be imported into the statute. In this behalf an attempt was made to distinguish the observations made by another Single Judge of this Court in Tobu Enterprises (P) Ltd. vs M/s Joginder Metal Works and Anr. AIR 1985 Del 244 (in short Joginder Metal Works). It was submitted that, apart from a passing reference in paragraph 6 of that judgment, which seemed to suggest that the remedy of passing off was not excluded, under Section 53 of the Designs Act, 1911 (present Section 22 Designs Act 2000), there is no other discussion on this aspect of the matter. To support this argument, a reference was made to Section 15(2) of the Indian Copyright Act, 1957 (Copyright Act)⁷ to contend that copyright and design which is capable of registration under the Designs Act and has not been registered and if the design was applied to industrial process, more than 50 times, the copyright in such a design was lost. It was thus contended that passing off remedy was thus, clearly ruled out qua designs.

11.5 Mr Vidhani contended that since shape of goods are now included in the definition of a Trademark [see Sections 2(1)(n) and 2(1)(zb) of the Trade Marks Act] and therefore a plaintiff would have to choose which statutory act he would wish to take recourse to. If the design which is registered under the Designs Act falls into public domain after the expiry of the statutory period, then no remedy by way of passing off would be available. If the relief of passing off is made available after the lapse of the statutory period, then the very purpose of providing exclusive rights; albeit for a limited duration, would get defeated.

15 (2) Copyright in any design, which is capable of being registered under the Designs Act, 1911, but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his license, by any other person.

12. Mr S.K. Bansal, on the other hand, submitted that a suit for infringement is available against a subsequent registered proprietor as registration of a design under Section 10(4) of the Designs Act⁸ was only: "a prima facie evidence of any matter by this Act directed or authorized to be entered therein". The distinction, according to Mr Bansal, stood out in sharp contrast to the provisions of Section 31 of the Trademarks Act, whereby upon registration the mark was construed to be prima facie valid. It was submitted that, a subsequent registration being an invalid registration was statutorily liable to be cancelled under Section 19(1)(a) of the Designs Act. Accordingly, it was contended, that Section 22(3) of the Designs Act was applicable both to the plaintiff as well as the defendant. According to Mr Bansal, a conjoint reading of Section 10(4), Section 19(1)(a) and Section 22 of the Designs Act would show that no cause of action would be available to a plaintiff for instituting a suit based on a subsequently registered design unless invalidity of the subsequent registration is pleaded.

12.1 As regards the second issue, it was contended by Mr Bansal that an action by way of passing off was not maintainable nor was a remedy of that nature available under the Designs Act.

12.2 It was further contended, though in the alternative, that if a remedy of passing off was to be made available then, it should be confined to the statutory period for which exclusive rights are given qua a design. The reasons articulated in support of this submission were as follows: (i) The clear and implied nature, scheme and mandate of the Designs Act; (ii) the statement of Objects and Reasons contained in the Designs Act; (iii) the construction of the Designs Act with reference to allied, cognate and related IPR laws, such as 10(4) The register of designs shall be prima facie evidence of any matter by this Act directed or authorized to be entered therein.

the Trademarks Act, Copyright Act and the Patents Act, 1970 (in short Patents Act); (iv) the law of passing off itself; and (v) lastly, law and practice prevalent in United Kingdom (U.K.) and European Union (E.U.) pertaining to design per se in relation to designs, IPR such as trademarks, patents, copyright and, the history of designs law.

12.3 It was contended that the rights in a design exists only till the design is in existence. Once the registration ceases, the rights available under the Designs Act cease. Reference was placed on

Sections 2(c) and 11 of the Designs Act. The definition of design specifically excludes the trademark as defined in the Trade and Merchandise Marks Act, 1958 (in short the 1958 Act) and, the Property Mark and Artistic work as defined in the Copyright Act. The definition of design sets out clear and distinct parameters which does not admit anything more than what is prescribed in the definition. Reliance was placed in this behalf on Section 2(d) of the Designs Act and the judgment of the Supreme Court in *P. Kasilingam vs P.S.G. College of Technology* AIR 1995 SC 1395.

12.4 The definition of design cannot be extended to common law rights or goodwill. The Designs Act confers rights in negative, that is, a right to exclude rival activity. The pecuniary compensation for infringement is also kept capped to prescribed sums of money. Reliance in this regard was placed on Section 22(a) and 22(b) of the Designs Act. The sum and substance was that the provisions of the Act are self-sustained code and when read with the Statements of Objects and Reasons of the Designs Act, it decidedly excludes the remedy by way of a passing off. Reference was also made, like *Mr Vidhani*, to the provisions of the Trademarks Act, in particular, Sections 11(3)(a) and Section 27(2), Section 134 and 135 of the Trademarks Act. 12.5 It was contended that the passing off remedy which is based on law of torts, does not protect the mark or design per se, but only protects the goodwill and reputation attached to it so as to prevent deception being employed on the consumer as to the source and origin of the goods. Reliance in this regard was placed on the judgment of the Supreme Court in the case of : *Laxmikant V. Patel vs Chetanbhat Shah & Anr.* (2002) 3 SCC 65 at page 5 in paragraph 11. 12.6 Reference was also made to various enactments in United Kingdom and European Union to suggest how overlap is avoided. In this regard, a reference was also made to the Indian legislation in this area of the law by drawing the attention of the Court to the Patents And Designs Act which was amended in 1970 so as to divorce the Patents Act, 1970 from designs. Similarly, it was submitted that the Copyright Act, was repealed by the Copyright Act of 1957 in a manner that a copyright protection was excluded qua designs. It was contended, like *Mr. Vidhani*, that the Trademarks Act which incorporates shapes of goods in the definition of a trademark; the right to file action for infringement and passing off are specifically provided in that Act itself.

12.7 In support of the alternative submission, it was contended, that if, goodwill were to attach to a registered design by virtue of its commercial exploitation, then such goodwill, could exist only for a period of fifteen (15) years, i.e., the statutory life of the registered design. It was contended that, goodwill can have no independent existence, and therefore, would get subsumed in the statutory life of the design. Reliance in this regard was placed on the judgment in the case of *Laxmikant V. Patel vs Chetanbhai Shah* (2002) 3 SCC 65. It was thus submitted, that in order to maintain a passing off action, within the period of 15 years, the plaintiff would have to establish that the design had obtained distinctiveness. Reliance was placed on *Mogen David Wine Corporation* 372 F.2d 539.

12.8 As regards the third issue, *Mr Bansal* submitted that a combined action could be maintained in view of the fact that the passing off action, which was based on a common law right, inhered in the goodwill attached to the design, on the basis that it was a source indicator. The action for passing off is founded on the principle that it is initiated to prevent deception and confusion in the market. Whereas an action filed to prevent infringement of a registered design, seeks protection against fraudulent and obvious imitation by a rival third party. In this regard recourse is to be taken to the provisions of Section 22 of the Designs Act.

13. Ms Pratibha Singh, who appeared as an Amicus Curiae in the matter, made the following submissions: In respect of the first issue, she submitted that a suit for infringement would not lie against a registered proprietor. It was her submission that the very grant of registration by a Controller under Section 5 read with Section 10(4) was prima facie, an action, based on a plea of novelty which, according to the plaintiff, inhered in the design. It was her submission that registration of a design recognized novelty. By way of illustration, a reference was made to two registrations obtaining in a similar or an identical product, say, a pen, in respect of which, the novelty in one registration may relate to the pen cap, while the novelty in relation to the other registration, may relate to the stylus. In these circumstances, it was submitted that a suit by one registrant would not lie against the other. This submission was supported by placing reliance on a judgment of this Court in *S.S. Products of India vs Star Plast 2001 PTC 835 (Del)*.

13.2 As regards the second issue, Ms Singh seems to contend that the remedy of passing off being a distinct remedy, would not be available save and except where the shape or the get up has acquired distinctiveness or a secondary meaning. Even in such a situation, it is the contention of Ms Singh, what is sought to be prevented is the confusion as to the source of the product to which the design is applied, and not to extend protection to the creative element, which is the design. That generally, a passing off remedy is not available, as is sought to be contended. This argument like others preceding her was based on the provisions of Section 27(2) of the Trademarks Act; an equivalent of which, it is submitted, is not provided for, in the Designs Act.

13.3 In so far as the third issue is concerned, Ms Singh has contended that, since the two remedies are distinct and independent of each other the same can be combined as long as passing off is claimed for preventing confusion as to the origin or the source of the product to which the design is applied and not to protect the design registration by itself. It is submitted that the legislature has deliberately provided a life span for a design. Example is given by way of rights under the Copyright Act where the term of protection is the life time of the copyright holder plus sixty (60) years. Similarly, under the Patents Act where the term of protection is 20 years from the date of application, and lastly, under the Designs Act, where the term of protection is ten (10) years, which is extendable by further (5) five years, and thus in all, a total of fifteen (15) years is provided as the statutory life span. It is only under the trademark law that the protection is initially granted for a period of ten (10) years with limitless renewals. In other words, except for the trade mark law, where protection can be in perpetuity, all other rights, have a statutory life span. 13.4 Ms Singh submitted that public policy demanded that a registered design should fall in the public domain once this statutory period of protection expires save and except in a situation where a design has acquired distinctiveness and secondary meaning. It was her contention that, therefore, the two actions could be combined being mutually distinct and independent of each other.

14. Mr Sudhir Chander Aggarwal, learned senior advocate and Mr Pravin Anand, Advocate, largely relied upon the extracts from McCarthy's book on Trademarks and Unfair Competition to contend that a remedy by way of passing off action was available even qua a registered design. Several extracts from the learned authors book were read to which we would be making a reference in the latter part of our judgment.

GENERAL PREFACE/ ISSUE NO. I

15. Before one proceeds further, it may be relevant to indicate here some well accepted principles which operate in the field of designs law. Design as is generally understood refers to the features of shape, configuration, pattern or ornament when applied to an article. It is for this reason that designs such as these are described as Industrial Designs. It is these designs which are covered under the Designs Act. Designs can be two dimensional or three dimensional. While pattern or an ornament would ordinarily be applied to an article; shape and configuration, become the article itself. Designs in that sense relate to the non-functional features of the article. Therefore, by necessary corollary, a design which has functional attributes cannot be registered under the Designs Act. This is the essence of Section 2(d) of the Designs Act. The protection under the Designs Act is granted only to those designs which have an aesthetic value or otherwise appeal to the eye. There may be, however, cases where the design while fulfilling the test of being appealing to the eye, is also, functional. [See judgment in the case of Cow (P.B.) & Coy Ld. Vs Cannon Rubber Manufacturers Ld. (1959) RPC 347]. In this case the diagonal ribs on a hot water bottle were both appealing to the eye as well as functional. They were functional in as much as they permitted the heat to be radiated without singeing the user. The conundrum of functionality was resolved by taking note of the fact that it would make no impact on the articles functionality if, the ribs on the hot water bottle were either horizontal or vertical or even diagonal formations. 15.1 Registration of a design under the Designs Act creates a monopoly in favour of the registrant. A registration therefore, can be obtained only if it does not fall within the ambit of Section 4 of the Designs Act. Section 4 of the Designs Act describes negatively as to which designs cannot be registered. To put it positively designs which are new or original or which have not been pre-published, i.e., disclosed to the public either in India or abroad in a tangible form or by use or by any other way prior to the institution of an application for that purpose, or wherever applicable the priority date qua such an application or, is significantly distinguishable from known designs or combination of known designs and does not contain scandalous or obscene matter, such a design, can be registered.

15.2 Thus in effect, after registration, the registrant has in its possession a copyright in an industrial design. By statutory fait, such industrial designs, which are registered under the Designs Act, are excluded from protection of the Copyright Act (see Section 15(1) of the Copyright Act). There is, however, a caveat added by the legislature to this, which is, that a copyright in any design which is capable of being registered under the Designs Act, shall have protection under the Copyright Act, till such time it is not reproduced more than 50 times by an industrial process by the owner of the copyright or with his license by any other person. (See Section 15(2) of the Copyright Act). This of course would be subject to the provisions of Section 13 of the Copyright Act, which enumerates the works in which copyright can subsist.

16. Therefore, a design is registerable and is amenable to the protection of the Designs Act as long as it steers clear of the aspects referred to in Section 4 and is a design which fulfils the criteria prescribed under Section 2(b) of the Designs Act.

16.1 It is thus quite possible for two registrants to seek to establish that their respective designs are new or original, are not published anywhere in India or, are "significantly distinguishable" from

known designs or combination of known designs provided of course it does not contain any scandalous or obscene matter. There could, however, be a difference of opinion inter se the two registrants with regard to newness, originality or even claimed significant distinction between/amongst designs. Since registration of design creates a monopoly, each design on registration will necessarily be presumed to be unique. However, the registration, would only result in creation of a rebuttable presumption that it fulfils adoption of all procedural safeguards which are required to be taken and that it is shorn of all prohibitions as contained in the Designs Act.

16.2 Having regard to above, it would be useful to appreciate at this stage the nature of an infringement suit under the Designs Act. In this context, a broad overview of the relevant provision may be necessary.

16.3 As indicated above, prohibitions qua registration of a design is contained in Section 4 of the Designs Act. Section 5 provides for an application to be filed by a proprietor of a design which is not prohibited under Section 4 of the Act. The Controller of Designs under Section 5 of the Designs Act is empowered to verify this aspect by having the application for registration being referred to an examiner. The Controller's decision with regard to the registration of design in respect of any or all of the articles prescribed in a class of articles is final under the provisions of Section 6 of the Designs Act.

16.4 Upon the completion of the aforesaid exercise, the Controller of Designs is entitled to issue a certificate of registration to the proprietor of the design under Section 9 of the Designs Act and thereafter in exercise of power under Section 10, enter the name and address of the proprietor of such a design alongwith any notification of assignment or transmission, in the Register of Designs.

16.5 Under Section 19, any person, who is interested, is conferred with the right to seek cancellation of a registered design on the grounds given in clause

(a) to (e) of Sub-Section (1) of Section 19.

16.6 Section 22 protects a registrant against piracy of his design. Clause (a) of Sub Section (1) of Section 22 make it unlawful for any person to apply for the purposes of sale or cause to be applied any article in a class of articles in which the design is registered, that design or any fraudulent or obvious imitation of that design except with the license or written consent of the registered proprietor. This prohibition extends to anything that may be done to enable the registered design to be infringed in the manner described above. Clause (b) of Sub Section (1) of Section 22 extends the prohibition to even articles imported for sale without the consent of a registered proprietor which otherwise is an article belonging to a class in which the design is registered. Similarly, clause (c) of Sub Section (1) of Section 22 makes it unlawful to publish or expose or cause to be published or exposed for sale that article by a person who has the knowledge that the design or any fraudulent or obvious imitation has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor. 16.7 Sub Section (2) of Section 22 provides for penal consequences in the form of damages. The second proviso to Sub Section (2) of Section 22 mandates that a suit for infringement cannot be instituted in a court below the court of a

District Judge. Sub Section (3) of Section 22 enables the defendant in an infringement suit, where an allegation of piracy has been made qua the defendant to plead in his defence grounds, which are available under Section 19 of the Designs Act, for cancellation of a registered design. 16.8 Sub Section (4) of Section 22 requires that a suit in which a defence in terms of Section 19 of the Designs Act has been pleaded, the same shall be transferred to the High Court for decision.

16.9 Sub Section (5) of Section 22 provides that, when a decree is passed in a suit under Sub Section (2), a copy of the decree would be sent to the Controller who will cause necessary entries to be made in the Register of Designs.

17. A composite reading of the aforesaid provisions would show that a plaintiff is entitled to approach the court and plead that his registered design is unique and that the defendant registrant (in a case where he has a registration in his favour as against one who applies an unregistered design to articles in the class of articles qua which registration has been obtained) has obtained registration which is neither new nor significantly distinguishable when compared to the plaintiff's registered design. The assertion in the suit is a right of monopoly. It is quite possible that the defendant on the other hand apart from pleading as part of his defence, those very grounds which are available under Section 19 to seek cancellation of the plaintiff's registration may be able to establish that his registered design is new or original or even significantly distinguishable from that of the plaintiff. 17.1 Therefore, the submissions made by the learned counsels for the parties that one registered design holder cannot sue another registered design holder, in our view, fails to appreciate the nature of the suit. The suit for infringement seeks to assert the monopoly rights of the plaintiff based on the uniqueness, newness and the originality of his design qua the defendant registrant. The entry by the Controller of Designs in the Register of Designs, in our view, is only a prima facie evidence of any matter so directed to be done by the Designs Act or authorised to be entered in the Register of Designs. See Sections 10(4) and 38 of the Designs Act.

18. A brief synoptic view given by us hereinabove with regard to the provisions for a registration of a design under the Designs Act would show that there is no procedure prescribed for prior publication of an application made seeking registration of a design, followed by any request for entertaining an opposition to such an application for registration. The procedure under the Designs Act unlike that which is contained under the Patents Act (see Chapter IV and V of the Patents Act) and the Trade Marks Act (see Chapter III) does not entail entertaining an opposition to registration. There is, thus, a marked difference in the language as contained in Sections 10(4) and 38 of the Designs Act as compared to Section 31 of the Trade Marks Act, which speaks of prima facie evidence of validity, once a trademark is registered. ISSUE NO.II

19. In order to answer the second issue, one would have to briefly delve into what constitutes a passing off action. A passing off action simply put is an action filed to vindicate one's claim that the defendant by employing mis- representation (whether intentional or not) is seeking to represent to the public at large that his goods are those of the claimant and such a mis-representation has caused or is likely to cause substantial damage to the goodwill/reputation which is attached to the plaintiff's goods. Therefore, in a passing off action the plaintiff would have to establish the following ingredients :-

(i). that there is goodwill or reputation attached to the goods or services which the plaintiff offers, in the mind of the purchasing public, i.e., the consumers, who associate or are in a position to identify such goods or services by virtue of trademark used, which could include the get-up, trade- dress, signs, packaging, label, etc.

(ii). that the defendant has employed mis-representation which has made the consumers believe that the defendants goods are those of the plaintiff. It is no defence in an action of passing off that the mis-representation was unintentional or lacked fraudulent intent;

(iii). And lastly, that the defendant's action has caused damage or is calculated to cause damage;

[see Reckitt & Colman Products Limited Vs. Borden Inc. & Ors. (Jif Lemon case), (1990) R.P.C. 341 and Erven Warnink B.V. vs J. Towend & Sons (Hull Ltd.) (Advocaat case) (1980) RPC Page 31].

20. Now, regard to the definition of a trade mark in Section 2(1)(zb) of the Trade Marks Act. If regard is had to the same, it cannot be said that a design, which includes shape of goods, can never be used as a trade mark. The relevant extract from the definition of trade mark is referred to hereinafter :-

(zb) "trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and.."

(emphasis supplied) 20.1 That a design includes a shape or a configuration is quite evident upon perusal of the definition of design given in 2(d) of the Designs Act. The relevant part of the said definition, for the sake of convenience, is extracted hereinafter :-

"design" means only the features of shape, configuration, pattern, ornament or composition of lines or colours, applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device and does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 (43 of 1958) or property mark as defined in section 479 of the Indian Penal Code (45 of 1860) or any artistic work as defined in clause (c) of Section 2 of the Copyright Act, 1957 (14 of 1957)" (emphasis supplied)

20.2. What follows therefore is, that a design can be used as a trade mark and if by virtue of its use, goodwill is generated in the course of trade or business, it can be protected by an action in the nature of passing off.

21. The argument advanced against maintainability of a passing off action is founded on the following points of contention:-

(i). that once a design is registered, it cannot be registered as a trade mark;

(ii). the rights qua a design are not rooted in common law. The rights qua a design flow from the statute, that is, the Designs Act;

(iii). On the expiration of the rights, that is after the conclusion of the statutory period of protection, which is a maximum of 15 years, the design falls within public domain and, therefore, ought to be available freely to the public for use;

(iv). unlike the Trade Marks Act, which saves a passing off remedy, by an express provision in the form of Section 27(2) of the Trade Marks Act; there is no such provision in the Designs Act, and therefore, by necessary implication, there is legislative intent reflected, which is that, a passing off remedy ought not to be made available to a registered design.

22. In our view, the aforesaid contentions are flawed for the reason that while the Trade Marks Act confers certain statutory rights qua a registered trade mark, it does not deprive a user of an unregistered trade mark the right to protect the misuse of his mark by a defendant who is in possession of a registered trade mark. Therefore, in so far as a design, which is registered under the Designs Act is concerned, it may not have the statutory rights, which a registered trade mark has, under the Trade Marks Act, it would certainly have the right to take remedial steps to correct a wrong committed by a defendant by instituting a passing off action. If such an action is instituted, the plaintiff would have to demonstrate that the registered design was used by him as a trade mark which, in the minds of the purchasing public is associated with his goods or services which, have acquired goodwill/reputation which is worth protecting. Quite naturally, result of such an action, would depend upon whether or not the plaintiff is successful in proving the essential ingredients involved in a passing off action, to which we have already made a reference hereinabove.

22.1 Therefore, the argument that since there is no saving clause in the Designs Act as found in Section 27(2) of the Trade Marks Act, and consequently such a remedy ought not to be made available qua a registered design, which is used as a trade mark, is in our view, completely without merit. As is obvious, such a passing off action would be based on a plea that: the design, which is an unregistered mark, was being used by the plaintiff for the purposes of business; and that the plaintiff's goods and/or services had acquired a reputation and/or goodwill, which were identified in the minds of the consumers, by associating the design / the mark, with the goods and / or services. In other words, the plea would be that the design which was being used as a mark identified the plaintiff, as the source of the goods supplied or services offered.

22.2 The plaintiff, in our opinion, would not have to look to the Designs Act, for instituting such an action. Therefore, the argument that the legislature by not incorporating a similar provision, such as Section 27(2) of the Trade Marks Act, has by necessary implication excluded the availability of such like remedy to a plaintiff, who uses a registered design, as his trade mark, is untenable. Our view is fortified by the opinion expressed in that regard by the learned authors of book -McCarthy:

"....Dual protection from both design patent and trademark law may exist where it is alleged that the configuration or shape of a container or article serves to identify and distinguish the source of goods - that is, acts as a trademark or trade dress. Such a container or product shape may also be capable of design patent protection. In such cases, the protection afforded by patent law vis-a-vis trademark law is quite different.

In the Mogen David Wine Bottle case 372 F.2d 539 the existence of design patent protection for a container (Mogen David Wine bottle) was held not to preclude the right to enter on the Principal Register the bottle shape as a trademark for the wine. Judge Smith compared design patent protection to trademark protection for container shapes:

The purpose of the federal design patent laws is to encourage the creation of ornamental design. The inventor receives, for a limited period, a federal right to exclude others from making, using, or selling the patented design throughout the United States. Upon expiration of the design patent this federal right no longer exists. Thus the inventor loses this exclusive right or interest. Federal trademark laws, independent in origin from design patent law, have the dual purpose of protecting both the trademark owner and the public from confusion, mistake and deception.

Judge Smith concluded that:

Thus all appellant asserts is the right to register the shape of the container as a trademark for its wines for the reason that it serves to identify and distinguish them from those of others. In no sense is there any assertion of an interest in the container shape per se for all uses... If the public recognizes and accepts appellants container shape in a trademark sense, appellant seeks only federal recognition of that public interest. It is the public that is protected... I conclude from these considerations that the federal patent laws and trademark laws are not in conflict. Appellant is thus not barred from seeking federal protection for what the public recognizes as a trademark.

The court concluded that Mogen David wine Co. had not sustained its evidentiary burden of proving that the bottle shape had acquired secondary meaning so as to function as a trademark identifying Mogen David wines and distinguishing them from wines of competitors. The bottle was held not to create a commercial impression separate and apart from the word marks appearing on the label on the bottle. However, these statements of the Court of Customs and Patent Appeals must be compared with the dictum of the United States Supreme Court in *Kellogg Co. V. National Biscuit Co.* where Justice Brandeis appeared to say that the pillow-shaped shredded wheat biscuit fell into the public domain upon expiration of a design patent covering the biscuit shape and of functional patents covering production machinery. After holding that "shredded wheat" was a generic term, not a trademark, Justice Brandeis said of plaintiffs claim to exclusive right in the shape of the biscuit :

The plaintiff has not the exclusive right to sell shredded wheat in the form of a pillow-shaped biscuit

- the form in which the article became known to the public. That is the form in which shredded wheat was made under the basic patent. The patented machines used were designed to produce only the pillow-shaped biscuits. And a design patent was taken out to cover the pillow-shaped form. Hence, upon expiration of the patents, the form, as well as the name, was dedicated to the public. Kellogg Company was free to use the pillow-shaped form, subject only to the obligation to identify its product lest it be mistaken for that of the plaintiff.

It could be argued that the Shredded Wheat case says that the existence of design patent protection for a shape precludes trademark significance for the same shape. Exactly the opposite was held in Mogen David. However, Mogen David and the Shredded Wheat cases can be reconciled on a number of points. The shredded wheat biscuit design patent was held invalid before it expired, and the Supreme Court said that the biscuit shape was functional, and hence not capable of either trademark or design patent protection :

The evidence is persuasive that this form is functional

- that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow shape.

As a primarily functional shape, the biscuit could possess no trademark significance or distinctiveness at all. The C.C.P.A. has in fact distinguished the Shredded Wheat dicta on the grounds discussed above.

In 1993, the Seventh Circuit, agreeing with the analysis in Mogen David and similar cases, noted that "the C.C.P.A., the Federal Circuit and the T.T.A.B. have since interpreted 45 to allow trademark protection for qualifying product configurations. A constitutional challenge to such registrations was rejected by the court. The argument that was rejected was that the Constitutional Patent Clause requires that protection be for a "limited time," trademark protection for a product shape is the equivalent of a perpetual design patent, and therefore such trademark protection is unconstitutional. The court held that trademark protection is not the equivalent of a perpetual patent because the nature and scope of trademark protection is significantly different from that of a design patent :

Federal trademark protection does not transform the durationally limited monopoly of a design patent into a perpetual right... [The registrant] simply has the right to preclude other from copying its trademarked product for the purpose of confusing the public as to its source. [A competitor] is free to copy [the registrant's] design so long as it insures that the public is not thereby deceived or confused into believing

that its copy is a [registrants] faucet.

In fact, a design patent, rather than detracting from a claim of trademark, may support such a claim. Since a design patent is granted only for non-functional designs, it may be presumptive evidence of non-functionality and thus support the trademark claimant. However, while a design patent is some evidence of non-functionality, it is not sufficient without some other evidence.

The fact that an infringer of trade dress owns a design patent on this product design is no defense to the trade dress charge. A patent is a grant of a right to exclude, not of a right to use. "Thus, if a patented product operates to deceive or confuse consumers as to its source or sponsorship, there is no reason why the patent holder cannot be enjoined from such deception or confusion.

The potential conflict between patent and trade dress law is heightened when federal anti-dilution law is invoked to create exclusive rights in a product design. While the likelihood of confusion test operates to distinguish the scope of patent from trade dress infringement, anti-dilution infringement has no such requirement of likely confusion and more closely resembles design patent law.."

(emphasis supplied) 22.3 The argument pertaining to public interest is equally flawed. Any trademark would ordinarily serve two distinct purposes. First, it protects the owner of trademark and thus advances his business interest. Second, and more importantly, it serves public interest in preventing confusion as to the source and the origin of goods and services on offer.

22.4 Therefore, once the statutory period of registration has expired (the maximum being 15 years) qua a particular design, it will fall in public domain. The user can then use the design as long as the user ensures that there is no confusion caused as to the source and origin of the goods and services offered. 22.5 As would be evident from the definition of design given in Section 2(d) of the Designs Act, it excludes from its scope any trademark falling within Section 2(1)(v) of the 1958 Act, a property mark as defined in Section 479 of the Indian Penal Code, 1806 (in short the IPC), or any artistic work as defined in Section 2(c) of the Copyright Act. On the other hand, the definition of trademark does not specifically exclude a design. As a matter of fact, Section 2(zb) of the Trade Marks Act, i.e., the 1999 Act, includes "Shape of Goods" in contradistinction to the 1958 Act. Therefore, what is registered as design may not ordinarily be registered as a trademark under the Trademarks Act.

22.6 This logic applies based on the principle that trademark is something which is extra, which is added on to the goods to denote origin, while a design forms part of the goods.

22.7 This rationale though may not hold in certain situations on account of overlap. A case in point is the judgment of the House of Lords in *Smith Kline & French Laboratories Ltd. vs Sterling-Winthrop Group Ltd.* (1975) 1 W.L.R. 914. Briefly, the appellant before the House of Lords

was claiming registration of a colour mark. The appellant was a manufacturer of a pharmaceutical pellets - one half of which bore different colours (the colour was unique to each pellet), while other half was transparent. The House of Lords while allowing the appeal made the following crucial observations:

"...In stating what he conceived to be the difference between a registrable design and a registrable trade mark, Sargant L.J. said, at p. 668:

"A design form part of the goods themselves. A trade mark is something which is extra, which is added to the goods for the purpose of denoting the origin of the goods, and, speaking generally of trade mark and design, the same thing is not a trade mark and a design."

It is conceded that if this is to be understood as meaning that what is capable of being registered as a design is ipso facto incapable of being registered as a trade mark, it does not correctly state the law. If this latter part of the dictum is omitted, the preceding words would not rule out the trade marks claimed by SKF in the instant case. The "extra" added to the goods is the colour applied to one half of the capsule and the various colours applied to the individual pellets within the capsules.

In the instant case the ground upon which all three members of the Court of Appeal overruled Graham J. And rejected SKF's applications was that the description of the mark was merely a description of the whole external appearance of the goods in respect of which it was intended to be registered, viz. the capsules and their pellets. This is another way of saying that if the mark when applied to the goods will cover the whole visible surface of the goods it cannot be registered as a trade mark. For my part, as I have said, I cannot see any business reason why this should be so, and I can find nothing in the Act or in the authorities to justify such a conclusion. Upon this, which is the main point in the appeal, I would uphold the judgment of Graham J....."

22.8 Therefore, having regard to the definition of a design under Section 2(d) of the Designs Act, it may not be possible to register simultaneously the same mater as a design and a trade mark. However, post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being: the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act.

ISSUE NO. III

23. This brings us to the third issue, whether a composite suit for infringement of a registered design can be filed alongwith an action for passing off. In our view, since the cause of action for bringing the two suits is different, separate suits would have to be filed; though if filed at the same time or in close proximity they may be tried together as there may be some aspects which may be common.

23.1 The principle that every suit filed by a plaintiff should include the whole claim which a plaintiff is entitled to make applies when the cause of action is same. The plaintiff is entitled, in law, to relinquish a portion of his claim to bring his suit within the jurisdiction of the court before whom the suit is filed. If the plaintiff chooses to sue in respect of a portion of the claim, or intentionally relinquishes a portion of the claim, he is not entitled in law to sue thereafter in respect of that portion of the claim which he has chosen to omit or relinquish. Similarly, if a person is entitled to cumulative reliefs or several reliefs in respect of a cause of action, he is entitled to sue for all or some of them. If, however, the plaintiff omits some reliefs without leave of the court, he would not be entitled to institute a second suit for the reliefs so omitted. These are broadly the parameters which are prescribed in Order 2 Rule 2 sub-rule (2) and (3) of the Code.

23.2 The underlying principle would thus be that a plaintiff should exhaust all reliefs in respect of a cause of action except where leave of court is obtained and not that different causes be combined in one suit even if they arise from the same transaction. [see *Payanna Reena Saminathan vs Pana Lana Palaniappa* (1913-14) 41 Ind. App. 142.. Also see *Amarsingh Gajjansingh & ors. vs Tulsiram Ramdayal & Anr.* AIR 1949 Nagpur 195]

24. The policy of law is to prevent multiplicity of suits and to protect a person from being vexed twice qua the same cause. Therefore, if the causes of action are different, then they cannot be combined in one suit. 24.1 In our view, in a suit filed by a plaintiff to protect his statutory rights, flowing from registration obtained under the Designs Act would decidedly based on elements which are found in Section 2(d) and 11 read with the exclusions provided in Section 4 of the Designs Act. Ordinarily, the plaintiff would aver that he had secured for himself a design as defined in Section 2(d) in respect of which a certificate of registration has been issued, the registration is valid in terms of the provisions of Section 11, the plaintiff is the inventor (or in a given case a lawful assignee) of the design which is new or novel or significantly distinguishable from any known designs or any combination of known designs, and that, the defendant is applying the plaintiff's registered design or its fraudulent or obvious imitation without his consent or license. The suit is brought to injunct piracy of the registered design by the defendant in terms of Section 22 of the Designs Act.

24.2 As against this the broad pleading in a passing off action would be that the plaintiff is using its design as a trademark. The plaintiff sells his goods or offers his services as the case may be under the said trademark. The goods and services have acquired a goodwill and reputation. In the minds of the purchasing public, the trademark is associated with the plaintiff. The defendant seeks to represent (by using the mark of the plaintiff or a mark which is deceptively similar to the plaintiff's mark) falsely that the goods sold or services offered by the defendant are those of the plaintiff. This misrepresentation has caused injury or is calculated to cause injury to the plaintiff. A cause of action simply put means every fact which the plaintiff will have to prove if traversed, in order to obtain a judgment in his favour. (see *Read v. Brown*, (1888) 22 Q.B.D. 128.

24.3 Thus, the cause of action in the infringement suit under the Designs Act could be different from that which obtained in a passing off action. The fundamental edifice of a suit for infringement under the Designs Act would be the claim of monopoly based on its registration, which is premised on uniqueness, newness and originality of the design. Whereas, the action for passing off is founded on

the use of the mark in the trade for sale of goods and/or for offering service; the generation of reputation and goodwill as a consequences of the same; the association of the mark to the goods sold or services offered by the plaintiff and the misrepresentation sought to be created by the defendant by use of the plaintiff's mark or a mark which is deceptively similar, so as to portray that the goods sold or the services offered by him originate or have their source in the plaintiff. It is trite to say that different causes of action cannot be combined in one suit [See Dabur India Limited vs K.R. Industries (2008) 10 SCC 595 @ page 607 paragraph 34].

25. Having regard to the nature of the two actions, in our opinion, the two actions cannot be combined. Though as indicated, at the beginning of discussion of this issue if the two actions are instituted in close proximity of each other the court could for the sake of convenience try them together, though as separate causes, provided it has jurisdiction in the matter.

26. Before we conclude our discussions, we would like to refer to some of the cases which have been adverted to in the order of reference which represent the dichotomy in the view expressed by different Benches of this Court. It is these differences, which led to the instant reference being made.

26.1 The first case to which reference has been made is: Tobu Enterprises. This was a case where the plaintiff being a manufacturer of "mini bike tricycle", obtained registration qua the design of its product, on 16.08.1976. Defendant no.1 in that case, also obtained registration for design for its product, which was also, a tricycle; though on a later date, i.e., 06.10.982. A learned Single Judge of this court refused to grant injunction on the ground that the plaintiff had not approached the court with "clean hands" in as much as, it had attempted to obtain an injunction based on its latest model of tricycle, whereas it had in fact obtained registration of a different design of the said tricycle. The other ground on which the injunction was refused, was that, the design of the plaintiff was distinctly different from that in respect of which the defendant had obtained registration. The learned Judge was of the view that not only the general appearance was different but the absence of the front-wheel mudguard in the design of the plaintiff made all the difference.

26.2 While these reasons were given in the latter part of the judgment, the learned Single Judge in the earlier part of the judgment discussed his view on certain aspects of law, based on the acceptance of the allegation made by the plaintiff that the defendant's design was identical to that of the plaintiff. The learned Single Judge was considering the provisions of the old Designs Act of 1911 (in short the Old Act). It must be stated that substantially the provisions in respect of which the learned Judge expressed his opinion, are *pari materia* with the corresponding provision obtaining in the Designs Act, i.e., the Act of 2000. The learned Single Judge, while interpreting old Section 53 (now Section 22) came to the conclusion that since both the plaintiff and defendant no. 1 were proprietors of registered designs, it would be "absurd" to issue injunction in favour of one of the parties to the suit by restraining the other from using the registered design. The learned Single Judge went on to observe that: "The net result, therefore, is that when the design of both the parties is registered, no action in the nature of issue of injunction or recovery of damages is permissible". The view taken was: the remedy available to an aggrieved party in such a case would be to move for cancellation of registration under Section 51 of the old Act (now Section 52). The learned Judge, while recognizing the fact that Section 47 of the old Act (now Section

11) created a substantive right in favour of the person whose design was registered, the said provision, according to the learned Judge, did not state that a registration which is obtained earlier in point of time will prevail over the later registration. The learned Judge thus opined: "that registration of a design can, therefore, prevail and is to be protected against infringement only when the opposite party does not possess any registration. The obvious result is that if each of the parties is having registration of design, each of them can use that design for its products." (See paragraphs 6, 7 & 9 to 11 at pages 361 to 365) 26.3 On the aspect of the availability of the remedy of passing off, the learned Judge opined that passing off was a common law right and that right was subject to the provisions of a particular statute. Since Section 53 of the old Act provided for a remedy by way of an injunction and claim of damages and rendition of accounts, passing off remedy stood excluded. Learned Judge in coming to this conclusion found support from the provisions of Section 53 of the old Act which placed a cap on the maximum damages which could be claimed by a plaintiff. This, according to him, was in contradiction to what the general law or common law provided. (see paragraph 12 pages 365 and

366).

26.4 This view found favour with another Single Judge of this court in the case of Indo Asahi Glass Co. Ltd. vs Jai Mata Rolled Glass Ltd. & Anr. 1996 (16) PTC 220 (Del). Though in this case the learned Single Judge declined to grant an injunction based on the principle set forth in Tobu Enterprises case - what is not discernable clearly from the facts stated in the judgment, as to whether the defendant also had a registration in its favour. The plaintiff in this case was in the business of manufacturing and selling, inter alia, sheet glass. In respect of the same, the plaintiff had obtained registration under the Designs Act. The defendant appears to have pleaded that the design applied on its product was supplied by a West German firm. As indicated above, the narration of facts do not indicate as to whether the German firm had obtained a registration in its favour. Since the judgment in the case of Tobu Enterprises has been applied, one would have to presume that there was registration both in favour of plaintiff and the defendant. We must confess that this judgment does not independently discuss the intricacy of the Designs Act, a fact which has been noticed in a subsequent judgment of this Court. The reference to Tobu Enterprises is found in paragraphs 24 and 25 of the judgment.

26.5 The view taken in Tobu Enterprises was also followed in S.S. Products of India vs Star Plasts 2001 PTC 835 (Del). It appears that the learned Single Judge was not referred to the views expressed in a latter judgment, that is, Joginder Metal Works case and Alert India vs Naveen Plastics 1997 PTC (17) (Del).

26.6 In the line of judgments which have taken the view expressed in Tobu Enterprises is a judgment of the Madras High Court in the case of Eagle Flask Industries Pvt. ltd. vs Bon Jour International & Anr. 2011 (48) PTC 327 (Mad). This is a short judgment where the learned Single Judge declined to grant injunction to the plaintiff since one of the partners of the defendant firm claimed it also had a registered design in its favour. The product in issue was a vacuum flask. The learned Judge noted that both parties had applied for cancellation of each others registered design, with the Controller of Designs, and therefore, in those circumstances he was of the view that they

could not prevent each other from applying their respective registered design to the products manufactured by them. The learned Single Judge appears to have applied the principles encapsulated in Section 30(2)(e) of the Trademarks Act.

27. With respect to, in our view, the judgment in Tobu Enterprises failed to appreciate that the registration of a design is prima facie evidence of the fact that the design is unique, novel or original or that it is significantly distinguishable from any known design or combinations of designs. Thus, the registration in that sense creates a monopoly in favour of the registrant for the period prescribed under Section 11 of the Designs Act. The registrant thus has, in our opinion, the right to assert this monopoly against all and sundry, including a subsequent registrant. There are no words of limitation in Section 4, 11 and 22 which would exclude institution of an action against the subsequent registrant. The decision in the suit would leave ultimately only one party unscathed. Therefore, in our opinion, the rationale supplied in Tobu Enterprises that the only remedy available to the plaintiff against a subsequent registration would be to seek cancellation of the registration, is flawed.

27.1 It is precisely for this reason, if in a suit for infringement the defendant pleads in defence the grounds which are available for cancellation under Section 19, the suit is necessarily required to be transferred to the High Court under the provisions of Section 22(4) of the Designs Act. In our opinion, the manner in which the scheme of the Designs Act operates, a decree passed in a suit for infringement, shall be binding on the Controller, who will have to cause an entry in that regard in the register of designs. On the other hand, an order of cancellation under Section 19 passed by the Controller is amenable to appeal under sub-section (2) of Section 19. In addition, under sub-section (2) of Section 19 of the Designs Act the Controller has the power to refer, at any time, the petition filed before him, to the High Court for decision.

28. We also, respectfully, disagree with the view taken by the learned Single Judge in Tobu Enterprises with respect to non-availability of a remedy of a passing off action qua a design used as a trademark. The learned Judge has come to this conclusion for the following reasons: Firstly, that Section 53 of the old Designs Act does not provide for a remedy of action of passing off and; secondly, Section 53 of the old Designs Act caps the extent of damages which could be claimed in an action for infringement and consequential relief of damages. Both reasons, according to us, overlook the fundamental principle that in order to institute a suit, a right has not to be necessarily found in a statute enacted by a legislature. Unless the statute expressly or by necessary implication prohibits the jurisdiction of a court to entertain a suit, a civil court cannot refuse to entertain a suit. Jurisdiction of a civil court to deal with civil causes can only be excluded by clear and unambiguous language used by special Acts enacted for that purpose. Ordinarily, the ouster of a jurisdiction of a civil court is not to be inferred. The presumption is ordinarily otherwise. [See *Dhulabhai vs State of M.P.* AIR 1969 SC 78, *State of Andhra Pradesh vs Manjeti Laxmi Kantha Rao* 2000 (3) SCC 689, *Guda Vijayalakshmi vs Guda Ramachandra Sekhara Sastry* (1981) 2 SCC 646 and *Kihoto Hollohan vs Zachillhu* (1992) Supl. (2) SCC 651].

29. Section 9 of the Code clearly provides that a court shall have jurisdiction to try all suits of civil nature except suits in respect of which cognizance is either expressly or impliedly barred.

30. A somewhat similar view has been taken by a single Judge of this court in Joginder Metal Works. The view in this case is contrary to the view taken by the single Judge in Tobu Enterprises. We respectfully agree with the view taken in the Joginder Metal Works.

31. Another Single Judge of this Court in Alert India vs Naveen Plastics has disagreed with the view taken in Tobu Enterprises. This was a case, where the plaintiff which was a manufacturer of footwear soles, had filed a suit for infringement of its registered design and for passing off and other ancillary reliefs. The defendant no.2 in that case, who was the proprietor of defendant no.1, pleaded in defence that he had also obtained a registered design, and thus, had the exclusive right to apply the said design to the product manufactured by it. To be noted, the defendant in that case, was also manufacturing footwear soles. The design of the defendant, however, was registered, in point of time later to that of the plaintiff. 31.1 Based on the judgment of Tobu Enterprises it was contended that such a suit was not maintainable against the holder of a registered design, and that, the only remedy available was to seek cancellation under Section 51-A of the old Designs Act.

31.2 The learned Single Judge, however, repelled both these contentions. The single Judge based his judgment on the Division Bench judgment of the Allahabad High Court and the Lahore High Court in the case of Mohd. Abdul Karim vs Yasin & Anr. AIR 1934 All. 798 (DB) and Qadar Bakhsh vs Ghulam Mohd. AIR 1934 Lahore 709, respectively. The learned Single Judge while taking into account the fact that the plaintiff's design was registered at an earlier point in time, observed that: "if the two designs are same or identical, in that case the defendant, whose design was registered much later, cannot be said to be 'proprietor' of a new or original design, not previously published in India". The learned Single Judge based on the judgments of the Allahabad High Court and Lahore High Court, came to the following conclusion: a person claiming to be proprietor of a registered design, which is not new or original, and which is being used by others, since prior to his registration, or such design, notwithstanding such registration, is not entitled to seek legal remedies provided under Section 53 of the Act (i.e., the old Act). The learned Single Judge was thus, of the view that, the defendant would not be entitled to seek legal remedies under Section 53 of the old Designs Act, in case, he were to file a suit, against the plaintiff, and therefore, could the defendant use such a registered design, as a shield in a suit filed by the plaintiff. The learned Single Judge was, therefore, of the view that the defendant who is found to be a pirator of the design, cannot be allowed to defeat the just and legal right available to him under law, including the right to seek injunction under Section 53 of the old Act. (see observations in paragraph 28 to 30 at pages 22).

32. On the aspect of non-availability of the remedy of a passing off action, disagreement has been expressed by another Single Judge of this court in the case of M/s Smithkline Beechem Plc & Ors. vs M/s Hindustan Lever Ltd. & Ors. 1999 PTC 775 (Del). The learned Single Judge has preferred the view taken in Joginder Metal Works as against that which is expressed in Tobu Enterprises. (See paragraph 13 at pages 781 and 782).

32.1 This view has also found concurrence in another judgment titled as Smithkline Beechem Consumers Health Care GMBH & Ors. vs G.D. Rathore & Ors. 2002 (25) PTC 243 (Del). This judgments cites with approval the judgment in M/s Smithkline Beechem Plc & Ors. vs Hindustan Lever Ltd. & Ors. (see paragraphs 22 pages 256 to 260).

32.2 A single Judge of the Bombay High Court in the case of Gorbatschow Wodka KG vs John Distilleries Ltd. 2011 (47) PTC 100 (Bom.) granted an interim injunction in a passing off action against a defendant, which had a registered design in its favour. The plaintiff in that case filed a quia timet action against the defendant in which he asserted that the shape of its Wodka bottles was distinctive and formed an intrinsic part of its goodwill and reputation. The grievance of the plaintiff apparently was that the defendant had invaded its intellectual property rights by adopting a deceptive variation of the shape of the bottles of the plaintiff. The plaintiff claimed that, it had registered the shape of its bottle in various jurisdictions across the world, and that, in India, it had applied for registration of the shape of its bottle, as a trademark under the Trademarks Act. The defendants, as noticed in the judgment, had obtained registration under the Designs Act and thus inter alia pleaded that an action for passing off would not lie. Dr. Justice D. Y. Chandrachud pertinently made following observations in the judgment:

"...15. The fact that the Defendant has obtained registration under the Designs Act, 2000, does not impinge the right of the Plaintiff to move an action for passing off. Section 27(2) of the Trade Marks Act, 1999 provides that nothing in the Act shall be deemed to affect the right of action against any person for passing off goods or services. Section 27(2) is a statutory recognition of the principle that the remedy of passing off lies and is founded in common law.

16. Now, in the present case, the material which has been placed on the record by the Plaintiff, prima facie indicates that the Plaintiff has an established trans border reputation and that an integral part of that reputation lies in the shape of the bottle in which Vodka is sold. The shape of the bottle which the Plaintiff has adopted has no functional relationship with the nature of the product or the quality required of the container in which Vodka has to be sold. The shape, to use the language of a leading authority on the subject, is capricious. It is capricious in the sense that it is novel and originated in the ingenuity and imagination of the Plaintiff....

....The true test is not as to whether the Defendant took a search from the Design Register. As the first user of the shape, the Plaintiff was not bound to register it under the Designs Act, 2000. If the Defendant knew that the bottles of the Plaintiff with a distinctive shape were in the market - as a prudent person in the trade would know upon a diligent enquiry no amount of search in the Register would bring it within the purview of an honest adoption.....

.... 22. The test is whether the shape that has been adopted by the Plaintiff is one that is adopted capriciously, purely to give the article a distinctive appearance or characteristic of the goods of the manufacturer. If that be so, the manufacturer may be able to establish that he has a reputation and goodwill in the distinctive appearance of the article itself which would furnish a cause of action in passing off.....

... Secondly, under the Trade Marks Act, 1999, the shape of goods and their packaging is statutorily recognized as a constituent element of a trade mark as distinguishing

the goods or services of a person with those of others; Thirdly, the submission of the Plaintiff that no other manufacturer either globally or in India has adopted the shape of the bottle of the Plaintiff (save and except for the Defendant) has not been disputed in the course of submissions by counsel for the Defendant; Fourthly the shape which has been adopted by the Plaintiff is unique to the point of being capricious....."

33. Having noticed the views expressed in the judgments discussed above, we must state that we are broadly in agreement with the view expressed in *Alert India vs Naveen Plastics, Joginder Metal Works, M/s Smithkline Beechem Plc & Ors. vs M/s Hindustan Lever Ltd. & Ors. and Gorbatschow Wodka vs John Distilleries Ltd.*

34. On various issues raised we may crystallize our opinion as follows.

(i) A plaintiff could institute a suit for infringement of a design against a defendant, who was also a holder of a registered design. The expression "any person" found in Section 22 of the Designs Act would not exclude a subsequent registrant as, according to us, no such words of limitation are found in said Section.

(ii) The plaintiff would be entitled to institute an action of passing off in respect of a design used by him as a trade mark provided the action contains the necessary ingredients to maintain such a proceeding. The argument that such a suit could be instituted only after the expiry of the statutory period provided under Section 11 of the Designs Act, does not find favour with us. This is for the reason that in a given fact situation the plaintiff may have commenced the use of the design as a trademark after its registration. While Section 2(d) of the Designs Act excludes from the definition of a design, any trademark which is defined as such in clause (v) of sub-Section (1) of Section 2 of the 1958 Act or property mark, as defined in Section 479 of the IPC, or any artistic work as defined in clause (c) of Section 2 of the Copyright Act - the use of the design as a trademark post its registration, is not stipulated as a ground for cancellation under Section 19 of the Designs Act.

(ii) (a) In this context we must note the argument of Ms Singh, learned amicus, that passing off action may perhaps be maintainable provided the mark has attained secondary meaning. In our opinion, the issue before us is limited to whether a remedy by way of passing off action would be available qua a registered design used as a trademark by the plaintiff - we are not inclined to comment on the quality of evidence which may be required, if at all, to be produced by the plaintiff to prove whether the mark has acquired the necessary secondary distinctive meaning, for him to secure success, in the action instituted in that behalf.

(iii) We are also of the view that a composite suit for infringement of a registered design and a passing off action would not lie. The Court could, however, try the suits together, if the two suits are filed in close proximity and/or it is of the view that there are aspects which are common to the two suits. The discretion of the court in this matter would necessarily be paramount.

36. Accordingly, our answers to the three issues are as follows: ISSUE No.I: A holder of a registered design could institute a suit against a defendant who is also in possession of a registered design., ISSUE No.II: A holder of a registered design can institute an action for passing off.

ISSUE No.III: The two actions cannot be combined in one suit.

37. The reference is thus disposed of in the aforesaid terms. The suits be placed before the roster Bench for appropriate orders.

RAJIV SHAKDHER, J SANJAY KISHAN KAUL, J MAY 15, 2013 kk/yg/s.pal