

Filing Written Statement. Pramit ... vs Energy Beverages Private Limited & Anr on 10 July, 2024

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* IN THE HIGH COURT OF DELHI AT NEW DELHI
+ CS(COMM) 87/2024, I.A. 32018/2024-Condonation
filing written statement.
PRAMIT SANGHAVI & ORS.

Through: Mr. Devesh Vashis
Prateek Bhardwa

Versus

ENERGY BEVERAGES PRIVATE LIMITED & ANR.

Through: Mr. Mohd Faisal,
Mr. Neeraj C
Siddharth Shank
Ajmal, Advocate

CORAM:

HON'BLE MR. JUSTICE SAURABH BANERJEE
ORDER

% 10.07.2024 I.A. 2195/2024 (Application under Order XXVI Rule 9 r/w Section 151, CPC)

1. Learned counsel appearing for the plaintiffs seeks permission to withdraw the present application.

2. Accordingly, the present application is dismissed as withdrawn. I.A. 2194/2024 (Application under Order XXXIX Rule 1 & 2 r/w Section 151, CPC)

3. The plaintiffs by virtue of the present application seek an ad-interim ex-parte injunction restraining the defendants, their partners or proprietors, as the case may be, their servants, retailers, stockists, distributors, representatives and agents, from manufacturing, selling, offering for sale, stocking, advertising, directly or indirectly dealing in impugned products "NU" natural mineral water Bottles having a design identical to or a design being an obvious imitation of the designs of the plaintiff No.1, amounting to infringement of the plaintiffs registered This is a digitally signed order.

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4. On 20.02.2024, learned counsel for the plaintiffs was directed to file a comparative chart wherein it has been specified that the disputes raised herein are pertaining to the two registered design nos. 281573 and 311139 obtained by the plaintiff no.1 and the rights emanating therefrom.

5. The plaintiff no.1, a Director of plaintiff no.2, has been appointed as the authorized representative of both plaintiff nos.2 and 3. Both the said plaintiff nos.2 and 3 are companies incorporated under The Companies Act, 1956 and are market leaders in the packaged natural mineral water industry.

6. The plaintiff no.2 manufactures and bottles India's most premium natural mineral water brands such as QUA, PVR DIVE, Coffee Day- SOUL, Mizu, Tubig, Agua, Vesi, Berco's AQA, Pind Baluchi AQA, 24 Seven Acqua, IKSA, Thirst to name a few. The plaintiff no. 2 carries out its natural mineral water manufacturing facilities through its Group Entity, Mahodar Beverages Private Limited, plaintiff No.3 herein, which is an ISO 22000: 2018 certified company with more than two decades of existence and has been felicitated with many awards including the INDIA STAR, the ASIA STAR and the WORLD STAR in Packaging Excellence for Qua Natural Mineral Water Bottle (Best Packaged Water in the World).

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7. The plaintiff no. 2 has a global presence and owns and operates the website www.varahi.in for international sales. It has also, by way of eye-catching products, emerged as a leading player in the market of bottles, caps, jars and containers, etc. The reputation of the plaintiffs is also evident from the gross sales of the plaintiff no.2 for the previous five financial years reflected as under:-

Financial Year
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023

8. The plaintiff no.2 has actively participated in various exhibitions and shows wherein their products were extensively displayed and received recognition in the packaged natural mineral water industry. The same plaintiff no.2 has also made considerable expenditure towards advertisement and promotion of its various brands as detailed hereunder:-

Financial Year	Advertisement and promotion expenses (in Lakhs)
2018-2019	144.09
2019-2020	243.34
2020-2021	60.06
2021-2022	77.74
2022-2023	176.34

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9. The plaintiff no.1 and plaintiff nos. 2 and 3 are in a licensing arrangement. Even otherwise, the plaintiff no.1 is the registered holder of copyright in the below mentioned designs as also a Director

of the plaintiff no.2 herein as well. The said plaintiff no.1 is the holder of all the intellectual property rights, including those in the five design registrations bearing no. 303793 dated 20.03.2018, 322406-001 dated 10.10.2019, 316067-001 dated 26.03.2019, 281573 dated 16.03.2016 and 311139 dated 17.10.2018 in Class 09-01.

10. The plaintiff no.1 has applied for and successfully got registration in respect of the ornamental unique design of the Bottles, which is unique and novel. The front view and rear view of the natural mineral water bottle of the plaintiff no.1 bearing registered design nos. 281573 and 311139 are as under:-

11. The plaintiff no.2 has been involved in research, development and innovation for decades, for novel and aesthetic designs for bottles, containers, etc. which has helped the plaintiffs to gain immense popularity in the market.

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12. The plaintiffs came to know that the defendants were infringing the registered design nos. 281573 and 311139 of the plaintiff no.1 during a market survey conducted on 14.01.2024.

13. As per learned counsel for the plaintiffs, the defendants have imitated the registered design nos. 281573 and 311139 of the plaintiff no.1 and are liable for piracy thereof under Section 22 of the Designs Act, 2000 as also infringing the registered designs of the plaintiffs thereof.

14. After being served, both defendant nos.1 and 2 have filed their respective replies to the present application.

15. The defendant no.1 in its reply admits "That from May, 2023 onward, the Defendant No. 1 successfully started/ launched a new natural mineral water bottle "NU"". In effect it was never using the said bottles at any time prior thereto.

16. Learned counsel for the defendant no.1 primarily contends that there are significant differences in the overall appearance, structure, and functionality of the defendant no.1's bottle under the impugned design from that of the plaintiffs' bottle registered under design nos. 281573 and 311139. Moreover, the defendant no.1 has conducted independent research and prototype processes for the impugned design used in their bottle. Thus, as per learned counsel for the defendant no.1, per se, there is no infringement of the registered designs of the plaintiffs. This, as per the learned counsel for the defendant no.1 is sufficient for this Court to conclude that the design of its bottle is different from that of the bottle Hereinafter 'the 2000 Act'.

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17. In any event, as per the learned counsel for the defendant no.1, the design elements involved in the plaintiffs registered design nos. 281573 and 311139 are commonly used and found in numerous bottles freely in distribution across the market.

18. Further, as per learned counsel for the defendant no.1 since both the above design registrations obtained by the plaintiff no.1, unlike trademarks, are on a self-declaration basis and there is no scope of pre- grant opposition before the registration thereof. As such, neither of the said registrations of the plaintiff no.1 cannot be treated as conclusive, i.e. there is no statutory presumption of validity of the said registered designs obtained by the plaintiff no.1.

19. In view thereof and even otherwise, learned counsel for the defendant no.1 seek cancellation of the suit designs of the plaintiff no.1 under Section 19(1)(c),19(1)(d) and19(1)(e) read with Section 4(a), 4(b) and 4(c) of the 2000 Act.

20. As per defendant no.2, it is only an independent contractor rendering and providing other logistics like design and preforms of bottles, labelling for the bottles, packing material and transportation as also services of processing, filling and packaging of drinking water for the defendant no.1.

21. Learned counsel for the defendant no.2, based on a comparison submits that the design of the defendants cannot be regarded as either an obvious or a fraudulent imitation either of the registered design nos. 281573 and 311139 of the plaintiff no.1, so as to constitute "piracy" within This is a digitally signed order.

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22. No other submission has been made/argued by the learned counsels for defendant nos.1 and 2.

23. This Court has heard the learned counsels for the parties and perused the replies as also the documents on record.

24. Prior to proceeding to adjudicating the present application on merits, the details of both the design registrations obtained by the plaintiff no.1 involved herein, which from the fulcrum of the reliefs sought by the plaintiffs, are reproduced as under:-

S.No Design

Class

	No .	
1	281573	Class 09-01

2	311139	Class 09-01
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25. Reproduced hereinbelow also is the comparative chart with the pictorial representation of the bottles of both the plaintiffs and the defendants as under:-

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26. As per Section 2(d)2 of the 2000 Act, a design qua feature of a shape, configuration, pattern, ornament or composition of lines or colours of an article in the finished form has to appeal to the eye and is to be judged solely by the eye. In essence, the basic requirement for any article to qualify as a 'design' is that the finished product has to be appeal to the eye and the said finished product has to be judged solely by the eye. Therefore, it is the naked eye, who is to judge qua the features of a design. Any such resemblance, similarity, likeliness or similitude need not be exact replica/ verbatim or carbon/ photocopy and any minor/ insignificant alteration, modification, variation or anything of that kind is not sufficient. However, at the same time and as per settled law not every

resemblance, similarity, likeliness or similitude will tantamount to infringement. [Alert India vs. Naveen Plastics (1997) 17 PTC 15 (Del); Reckitt Benckiser India Ltd. vs. Weyth Ltd. (2013) 54 PTC 90 (Del) (FB); Castrol India Ltd. vs. Tide Water Oil Co.(I) Ltd. 1994 SCC OnLine Cal 303 and Carlsberg Breweries A/S vs. Som Distilleries & Breweries Ltd. 2017 SCC OnLine Del 8125]. There has to be something which is strikingly identically similar and resembling in more than one respect(s) to the naked eye.

(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 industriale 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).

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27. Similarly, Section 4 3 of the 2000 Act provides that a design cannot be registered if it is not new or original or such which has not been disclosed to the public anywhere worldwide, including India or by use or any other way at any point of time prior to the date of filing any industrial process or the same is not significantly distinguishable from the known designs or combination thereof.

28. From a naked eye, the bottle of the defendants with that of the plaintiffs, they both look identically similar to each other. There are hardly, rather, negligible visible changes discernable to the naked eye. The bottle of the defendants is a replica of the plaintiffs. In fact, the replicated bottle of the defendants has merely a few cosmetic and miniscule alterations in them. To the naked eye, the impugned bottle, its appearance, its shape, its configuration, its overall get up, its structure and its size are all same as that of the plaintiffs. That there are subtle variations is visibly decipherable from the below comparative table filed by the defendant no.2 itself, which is reproduced as under:-

4. Prohibition of registration of certain designs.--A design which--

(a) is not new or original; or

(b) has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration; or

(c) is not significantly distinguishable from known designs or combination of known designs; or

(d) comprises or contains scandalous or obscene matter, shall not be registered.

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29. The subtle variations as above are hardly visible to the naked eye is thus which is not capable of being judged solely by the eye for finding any differences thereof. Moreover, the bottle registered under both design nos. 281573 and 311139 involved herein do not include any mode or principle of construction or anything which in substance is a mere mechanical device. Rightly, so such is not the case of either of the defendants. In any event, what entails from the aforesaid is that the plaintiff no.1 is the registered proprietor of both the design nos. 281573 and 311139 involved herein and used by the plaintiffs. Both the said designs are valid and subsisting in the name of the plaintiff no.1 and are being used by the plaintiffs.

30. In matters of the present nature involving disputes qua registered designs for grant of the relief of an injunction, a duty is cast upon the This is a digitally signed order.

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31. Similarly, for denial/ rejection of the relief of an injunction a duty cast upon the defendants to make out a case for cancellation of either/ both registered design nos. 281573 and 311139 involved herein in terms of Section 19 of the 2000, Act4 [Diageo Brands B.V. and Anr. (supra)].

19. Cancellation of registration.--(1) Any person interested may present a petition for the cancellation of the registration of a design at any time after the registration of the design, to the Controller on any of the following grounds, namely:-- (a) that the design has been previously registered in India; or (b) that it has been published in India or in any other country prior to the date of registration; or (c) that the design is not a new or original design; or (d) that the design is not registrable under this Act; or (e) that it is not a design as defined under clause (d) of section 2. (2)

An appeal shall lie from any order of the Controller under this section to the High Court, and the Controller may at any time refer any such petition to the High Court, and the High Court shall decide any petition so referred.

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32. Additionally, though the defendant no.1 has itself in its own written statement and reply to the present application admitted of having launched the bottle with the impugned design in May, 2023, i.e., later than registration of both design nos. 281573 and 311139 in the name of plaintiff no.1 but since they have not given any explanation qua the identical similarity thereof, the same coupled with the fact that the defendants are completely silent about any substantive proof of having conducted any independent research and/ or prototype processes.

33. The above, leaves no scope for this Court to not consider and/ or dwell upon either of the aforesaid factors at this stage. Even otherwise, the claims of the defendants that the designs of the plaintiffs lack originality or there being existence of prior art are issues which would require better examination and would be considered after the parties have led their respective evidence during the course of trial. Therefore, it is too early for this Court to dwell and adjudicate upon the said pleas of the defendants as they can neither be considered nor accepted at this stage.

34. In view of the aforesaid, particularly since the plaintiff no.1 is the proprietor of both registered design nos. 281573 and 311139 and they are being used by the plaintiffs, the plaintiffs, as per the settled law must be This is a digitally signed order.

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35. The plaintiffs have been able to make out a prima facie case for grant of an injunction in their favour and against the defendants. If not restrained the plaintiffs are likely to suffer irreparable harm, loss and injury. Lastly, the balance of convenience also lies in favour of the plaintiffs and against the defendants. Furthermore, since the bottles of the defendants are used for offering/ selling drinking water and since there is a likelihood of deception, confusion and prejudice amongst the general public, if the defendants are not restrained, the same will lead to cascading effects with

serious repercussions amongst the members of general public as well.

36. Accordingly, under such circumstances, the defendants and all persons acting on their behalf, are restrained from using, selling, soliciting, manufacturing, marketing, enquiring, importing, exporting, displaying, advertising physically or through social networking websites or by any other mode or manner dealing in or using the infringed designs, i.e. bearing registration nos. 281573 and 311139 of the plaintiff no.1 or any other design which may be identical and/or deceptively similar to the plaintiffs' designs in relation to packaged natural mineral water and other allied/ related products and packaging material, boxes, stickers, cut-outs, accessories, machineries, allied and cognate items, so as to amount to infringement or passing of plaintiffs' designs till the pendency of the present suit.

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37. Accordingly, the application is disposed of in the aforesaid terms. CS(COMM) 87/2024

38. Renotify before the Joint Registrar for completion of pleadings on 14.10.2024.

SAURABH BANERJEE, J JULY 10, 2024/akr This is a digitally signed order.

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