

Nishita Design And Anr vs Clay Craft India Private Limited And Ors on 13 October, 2023

Author: C. Hari Shankar

Bench: C.Hari Shankar

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IN THE HIGH COURT OF DELHI AT NEW DELHI
CS(COMM) 737/2023 & I.As. 20347-50/2023

NISHITA DESIGN AND ANR

..... Pla

Through: Ms. Shwetassree Majumdar, M
Prithvi Singh and Mr. Vardaan Anand
Advs.

versus

CLAY CRAFT INDIA PRIVATE LIMITED AND ORS

..... Defend

Through: Mr. Sushant M. Singh, Mr.
Shravan Kuamr Bansal and Mr. Rishabh
Gupta, Advs. for D-1

CORAM:

HON'BLE MR. JUSTICE C.HARI SHANKAR

ORDER

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13.10.2023

CS(COMM) 737/2023

1. The plaintiff alleges piracy, on the part of the defendants, of two registered designs of the plaintiff, the certificates in respect of which are forthcoming at pages 21 and 26 of the documents filed with the plaintiff.

2. The designs in question are Design Nos. 272627 and 256801 which are styled, by the plaintiff, as the "DEVANAGIRI" and "BANARAS" designs. They are used on crockery and the registrations portray the said designs on the surface of plates.

3. The assertions in the plaintiff certainly make out a case worthy of consideration. Arguments, however, were heard by me on the aspect This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 17/10/2023 at 15:14:24 of whether an interim injunction, without affording the defendant an opportunity to file a reply to the Order XXXIX application of the plaintiff (IA 20347/2023) ought or ought not to be granted.

4. Mr. Sushant Singh, learned counsel for the defendants submits that the facts of the case certainly merit grant, to him, of an opportunity to respond to the application for interim relief before any interlocutory order is passed by the Court.

5. Ms. Majumdar, learned counsel for plaintiff submits per contra that the present case is one which is so stark that it merits ad interim relief even before a reply is invited from the defendants.

6. In either case, the plaint deserves consideration.

7. As such, let the plaint be registered as suit.

8. Issue summons.

9. Summons are accepted on behalf of Defendant 1 by Mr. Bansal.

10. Written statement accompanied by affidavit of admission/denial of the documents filed by the plaintiff be filed within 30 days with advance copy to learned counsel for the plaintiff, who may file replication thereto, accompanied by affidavit of admission/denial of documents filed by the defendants within 30 days thereof.

11. List before the learned Joint Registrar (Judicial) for completion This is a digitally signed order.

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I.A. 20347/2023 (Order XXXIX Rules 1 and 2 of the CPC)

12. This is an application by the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC) seeking interlocutory injunctive reliefs.

13. I have considered the issue of whether the plaintiff is, in the circumstances of the case, entitled to an ad interim order without a reply being filed by the defendants, or whether the defendants ought to be permitted to file a reply before any interlocutory order is passed.

14. At the very outset, Mr. Sushant Singh, learned Counsel for Defendant 1, submits, on instructions, that his client does not intend to use the "DEVANAGIRI" design in respect of which the plaintiff holds registration.

15. Ms. Majumdar has handed over, in court, physical samples of cups, which bear the "DEVANAGIRI" design, photographs of which have been taken by the court and are being reproduced as under:

Plaintiff's product containing Devanagiri Defendant's product containing design
Devanagiri design This is a digitally signed order.

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16. Ms. Majumdar submits, quite correctly, that Section 22(1)(a) of the Designs Act, 2000 proscribes application by any third person of a registered design not only to the article in respect of which the design has been registered, but to any article in the class of designs in respect of which registration is granted. Registration of both the designs forming subject matter of controversy in the present case has been granted to the plaintiff in Class 07-01.

17. It is not in dispute that Class 07-01 would envelop not only the This is a digitally signed order.

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18. Insofar as the "DEVANAGIRI" design is concerned, a prima facie case of infringement of design is made out, when one compares the design on the cup, a physical sample of which has been produced in the Court with the registered design of the plaintiff. In fact, the design is identical in all respects.

19. As such, while Mr. Sushant Singh has already made a statement on behalf of Defendant 1, that it would not use the "DEVANAGIRI" design in any fashion, pending disposal of the suit, the Defendants 2 and 3 would also stand restrained from using the said design on any crockery items including cups, till the next date of hearing.

20. I now proceed to examine the controversy with respect to the "BANARAS" design.

21. Mr. Sushant Singh's contention is that insofar as the "BANARAS" design is concerned, the merits of the case cannot be said to be so clearly in favour of the plaintiff as would disentitle him even to the opportunity of filing a reply before any interlocutory orders are passed.

22. At the cost of repetition, the "BANARAS" design, as contained in the certificate of registration and as embossed on a plate, is reproduced as under:

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23. The statement of novelty in the registration certificate reads thus:

"Novelty resides in the surface ornamentation of the Plate as illustrated"

24. A physical sample of the cup on which the "BANARAS" design has allegedly been pirated by the defendants has also been provided by Ms. Majumdar. The Court has taken a photograph thereof and is reproducing it as under:-

25. Among the contentions advanced by Mr. Sushant Singh, apropos the "BANARAS" design, is the plea that, in any event, the This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 17/10/2023 at 15:14:24 design as contained on the surface of the above cup does not replicate the entire design in respect of which the certificate of registration has been granted to the plaintiff. He submits, at the highest, it is only the leaf motif on the outer circle of the suit design which can be said to have been replicated on the cup, and replication of a part of the registered design cannot be said to be unambiguously amounting to pirating of the registered design within the meaning of Section 22(1)(a) of the Designs Act. He has also relied, in this context, on passages no. 3.181, 3.182 and 3.203, from Russell-Clarke on Industrial Designs (Sixth edition).

26. At the very least, he submits, the matter is arguable and he should, therefore, be entitled to file a response.

27. As against this, Ms. Majumdar places reliance on the judgment of a Division Bench of this court in Dabur India Limited v. Amit Jain¹, from which she has read paras 17 and 18, which may accordingly be reproduced as under:

"17. The law in regard to similarity which constitutes infringement and which in turn attracts an order of injunction has been explained by this Court in Alert India Ltd. (supra). Reference in the said case has been made to an earlier decision in J.N. Electricals (India) v. President Electricals² where it was explained that "the „sameness of features does not necessarily mean that the two designs must be identical on all points and should differ on none. They have to be substantially the same." In Alert India Ltd. it was held as under:

"36. Thus for determining whether two designs are identical or not, it is not necessary that the two designs should be exactly the same. The main consideration to be applied is whether the broad features of shape, configuration, pattern etc. are same or nearly the same and 1 (2009) 39 PTC 104 (DEL) 2 ILR 1980 (1) Delhi 215 This is a digitally signed order.

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Server on 17/10/2023 at 15:14:25 if they are substantially the same then it will be a case of imitation of the design of one by the other..."

18. Likewise in Castrol India Ltd. v. Tide Water Oil Co. (I) Ltd.³, the Calcutta High Court explained that "the word „imitation does not mean „duplication in the sense that the copy complained of need not be an exact replica." Reference was made to the earlier decision of the said High Court in Best Products Ltd. v. F.W. Woolworth & Company Ltd.⁴ where it was held that "it is the article as a totality that must be compared and contrasted with the features of a shape and configuration shown in the totality observable from the representation of the design as registered. It was said that the Court must address its mind as to whether the design adopted by the defendants was substantially different from the design which was registered." The decision in Dunlop Rubber Co. Ltd. v. Golf Ball Developments Ltd.⁵ is also a pointer to the approach to be adopted by the Court when a complaint is made by a Plaintiff of fraudulent imitation of its design by a Defendant. It was observed "fraudulent imitation seems to be an imitation which is based upon, and deliberately based upon, the registered design and is an imitation which may be less apparent than an obvious imitation; that is to say, you may have a more subtle distinction between the registered design and a fraudulent imitation and yet the fraudulent imitation, although it is different in some respects from the original, and in respects which render it not obviously an imitation may yet be an imitation, imitation perceptible when the two designs are closely scanned and accordingly an infringement." As explained in Hindustan Sanitaryware v. Dip Crafts⁶ if the Court is able to find that, "there is substantial and sufficient resemblance between the allegedly infringed designs and the Appellant's registered designs...", an injunction should follow."

28. She submits, predicated on these passages, that complete replication of all features of the registered design is not imperative for a finding of infringement or design piracy to be returned and that, so long as the impugned design is based upon the registered design, and there is substantial overlap between the two, the mere fact that there may be subtle distinctions cannot mitigate the fact of design piracy having taken place.

3 1996 PTC (16) 202 4 (1964) IX RPC 215 5 (1931) XLVIII RPC 268 This is a digitally signed order.

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29. Ms. Majumdar submits that, at this stage, the court has to keep equity in the balance, and a person who seeks to pirate an essential feature of the registered design, even if he does not copy the design as a whole, cannot be extended the luxury of filing a reply before injunctive orders are passed. She submits that a comparison of the leaf design as contained on the cup designed by Defendant 1 with the leaf design in the certificate of registration, clearly indicates imitation of latter by the former. The defendant is, therefore, according to her, clearly guilty of piracy of the registered design of the plaintiff, and injunctive orders should be passed even without a reply being filed.

30. I have considered both the rival submissions specifically with respect to the issue of whether the defendant ought to be given an opportunity to file a reply before an interim order is passed.

31. Having heard both sides, I am of the considered opinion that, insofar as the "BANARAS" design is concerned, the case cannot be said to be so clear as would disentitle the defendants to file a reply before any injunctive orders are passed. The registration that has been granted to the plaintiff is clearly for the entire ornamentation on the surface of the Plate reproduced in para 22 supra. This ornamentation consists of various concentric levels. In all, one may say that there are inner concentric levels in black and white and outer concentric levels in green. The leaves in the inner concentric level in black and the outer concentric levels in green are similarly designed. There are, however, also white leaf designs which do not have any inner ornamentation.

6 2003 (26) PTC 163 This is a digitally signed order.

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32. When one compares the registered design with the design on the cup, at the highest it can only be said that the outer leaf design is replicated on the defendants' cup. No doubt, the replication of the entire design is not necessary for a finding of design piracy to be returned, as has been held by the Division Bench in Daburi¹, following the judgment of Ruma Pal, J. in Castrol India³. However, if one reads the passages which have been cited by Ms. Majumdar, what emerges therefrom is, if there is an overall similarity of two designs, subtle distinctions which may become perceptible when the two designs are closely scanned would not mitigate the possibility of design piracy.

33. In this conspectus of the facts and the law, there are three reasons why I deem it appropriate to extend an opportunity to defendant to file a reply before considering the prayer for injunction insofar as the "BANARAS" design is concerned.

34. The first is that the certificate of novelty in the design registration certifies that novelty resides "in the surface ornamentation of the Plate." The surface ornamentation of the plate, as already noted, contains various concentric levels, It cannot be said that the entire surface ornamentation of the plate has been replicated on the cup of the defendant. The question of whether the extent to which there has been a replication of the design as registered in favour of the plaintiff on the defendants' cup, is a matter which is arguable and in respect of which, in my considered opinion, the defendant should have a right of reply before the orders are passed.

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35. The second, and the most important reason in my view, for the defendant being entitled to an opportunity of response before any orders are passed, is that novelty is a sine qua non for registration of a design. A design which is not novel is not entitled to registration. The certificate of registration of the plaintiff design certified novelty as residing in the entire surface ornamentation on the plate. The issue of whether the mere outer leaf design would be novel at all is something

which again is highly arguable. Expressed otherwise, if the inner black and white design on the plate were not to be there, it becomes a matter of conjecture as to whether the outer leaf design would at all have been entitled to design registration. When novelty is certified as registering in the entire design, and only part thereof is replicated by the impugned design, then the question of whether that part by itself would be novel, would be a matter which is arguable. The present case cannot be analogised with the examples envisaged by the passages from Dabur¹ which have been cited by Ms. Majumdar. This is not a case in which the distinction between the registered design and the design on the defendant's cup is merely subtle or such as would be perceptible only when the two designs are closely scanned. There is a major distinction between the registered design and the design on the cup inasmuch as the entire central white and black design is absent on the defendant's cup. Absent this part of the registered design, the question of whether the remainder of design would have been novel or registerable at all becomes an arguable issue.

36. The third reason why I deem it appropriate to grant an opportunity to the defendant to respond is relatable to the very definition to "design" as contend in the Designs Act. Section 2(d) of This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 17/10/2023 at 15:14:25 the Designs Act defines "design" as as meaning "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)".

37. The words "which in the finished article appeal to and are judged solely by the eye", clearly indicate that the very entitlement of a design to registration is its visual appeal. The judgment of the Supreme Court in Bharat Glass Tube Limited v. Gopal Glass Works Ltd.⁷, as well as of the Full Bench of this Court in Reckitt Benckiser (India) Ltd v. Wyeth Limited⁸ also substantiate the principle that, sans visual appeal, a design cannot be registered.

38. Mr. Sushant Singh submits that it cannot be said, even before a reply is filed by the defendants, that the visual appeal of the design figuring on the plate, in respect of which registration has been granted to the plaintiff, is the same as the visual appeal of the design which is on the surface of the cup of the defendants. Without expressing any 7 AIR 2008 SC 2520 This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 17/10/2023 at 15:14:25 merits on the said contention, I agree with Mr. Sushant Singh that this is a matter on which the defendants are entitled to file a reply before injunctive orders are passed.

39. For the aforesaid reasons, I am of the opinion that the present case, insofar it as seeks injunctive orders in respect of the "BANARAS" design of the plaintiff, can be considered only after the defendants file a reply in that regard.

40. As such, without expressing any prima facie view on the actual merits of the contentions of either side, the defendants are granted two weeks, and no more, to file a reply to the present application. In other words, reply should be filed on or before 30 October 2023. Rejoinder may be filed within one week thereof

41. List this application for hearing and disposal on 9 November 2023. No extension of time shall be granted for filing reply or rejoinder. No adjournment shall be granted on the next date of hearing.

42. The application would be taken up for hearing in advance of any matters which are listed as part heard or to be heard at the end of the board.

43. Ms. Majumdar, at this juncture, queried as to whether the right to file reply would extend to Defendant 3 as well, as, in her submission, Defendant 3 had agreed not to use the "BANARAS"

8 2010 SCC OnLine Del 3582 : (2010) 44 PTC 589 This is a digitally signed order.

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44. As such, it is clarified that the opportunity to file a reply shall be extended in the above terms to all the defendants.

I.A. 20348/2023 (Order XI Rule 1(4) of the CPC)

45. This application seeks permission to file additional documents. The plaintiffs are permitted to place additional documents on record in accordance with Order XI Rule 1(4) of the Code of Civil Procedure, 1908 (CPC) as amended by the Commercial Courts Act within four weeks from today.

46. The application stands disposed of accordingly.

I.A. 20349/2023 (Exemption)

47. Subject to the plaintiff filing legible copies of any dim or illegible documents on which it may seek to place reliance within 30 days from today, exemption is granted for the present.

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48. The application is disposed of.

I.A. 20350/2023 (Section 12A of the Commercial Courts Act, 2015)

49. In view of the judgment of the Division Bench of this Court in Chandra Kishore Chaurasia v. R.A. Perfumery Works Pvt Ltd⁹, exemption is granted from the requirement of pre-institution mediation under Section 12A of the Commercial Courts Act, 2015.

50. The application stands allowed accordingly.

C. HARI SHANKAR, J.

OCTOBER 13, 2023 dsn Click here to check corrigendum, if any 9 2022 SCC OnLine Del 3529 This is a digitally signed order.

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