

M/S. Kemp & Company & Another vs M/S. Prima Plastics Ltd. on 18 September, 1998

Equivalent citations: 1999(1)BOMCR239

Author: R.M. Lodha

Bench: R.M. Lodha

ORDER

R.M. Lodha, J.

1. This is a matter of "chair", not for power, but for infringement of registered design and passing off. In the action initiated by the plaintiffs relief is sought against the act of infringement of the 1st plaintiffs registered design of Baby chair with human face and for passing off committed by defendants by adopting similar identical design, shape, and configuration and get up in respect of Baby chair manufactured and sold by the defendants.

2. The case set up by the plaintiffs is :--

The 1st plaintiff is the manufacturer of plastic toys and plastic moulded chairs and other items such as office high tech chairs and furniture. The 1st plaintiff is manufacturing and selling plastic moulded chairs of various designs including Baby chairs with design of human face with inserts which has been registered under the Design Act bearing Registration No. 16973 sic 169723 to the 2nd plaintiff. The 2nd plaintiff is marketing and selling the said plastic moulded chairs under their registered trade mark "Moderna". The defendants are also manufacturers and dealers of moulded furniture including plastic chairs of various designs, shapes, and sizes. In the year 1994, the 1st plaintiff conceived the idea of providing a novel shape and design to baby chairs with human face on back rest with removable inserts having educational value. On 22-8-1995, the 1st plaintiff as proprietor of said new and original design filed an application for registration of the said design of chair for children at the office of the Controller of Patents and Designs. The said application ultimately resulted in issuance of Design Registration No. 169723. The certified copy of the design registration has been placed on record and marked Exhibit "A". The plaintiffs claim novelty in respect of the said design in the shape and configuration of the backrest of the chair with human face with holes and removable inserts and seat of the chair with holes. The said design registration is in class 3 and relates to chairs made of plastics. The registration of the said design is valid and subsisting. By virtue of registration of the said design, the 1st Plaintiff being registered Proprietor under

the provisions of the Designs Act, 1971, claims copy rights and exclusive rights to apply the said design and to use, manufacture for the purpose of sale, sell and offer for sale such Baby chairs with human face with holes and inserts to fill up the holes having the shape and configuration as enumerated in the design registration. It is the plaintiffs case that since the 'date of the application, the 1st plaintiff has applied the shape and configuration of the said design registered under No. 169723 to plastic chairs for children in various colours such as red, yellow, blue etc. and selling the said product with the said design to their associate company, the 2nd plaintiff, who in their turn market and sell the same to the public under the registered trade mark "Moderna". The plaintiffs state that due to the unique shape, exclusive design, size and configuration of the said chair with holes creating human face with removable inserts and excellent quality of work, and material, they have acquired considerable reputation and goodwill in the market and amongst the purchasing public in short time. The plaintiffs have also spent amount in advertising of the said product by distributing pamphlets among the dealers and retailers. In an exhibition title "Inside and outside Exhibition" held at Cross Maidan from 16-11-1995, the plaintiffs saw Baby chair model exhibited at the defendants pavilion bearing design and shape identical in all respects with design of Baby chair registered by the 1st plaintiff under Registration No. 169723. On 23-11-1995 the 1st plaintiff by their letter addressed to the defendants placed the aforesaid facts on record and brought to the notice of the defendants that they have proprietary rights in the said design. The 1st plaintiff also asked the defendants not to use the said design in the Baby chairs and to give an undertaking notifying the same. The defendants were noticed that in case they failed to do so, the plaintiffs would be compelled to take legal action. The plaintiffs thereafter on 15-3-1996 sent a reminder to the defendants. In response thereto on 25-4-1996, the defendants replied to the 1st plaintiff's letter and asked for various particulars by way of enquiry. On 23-5-1996 the 1st plaintiff sent their reply to the defendants in response to their letter dated 25-4-1996 saying therein that the 1st plaintiff sent their reply to the defendants in respect to their letter dated 25-4-1996. Along there with the 1st Plaintiff sent zerox copy of the registration certificate No. 169723 reiterating that they are the registered proprietor of the said design and have exclusive right to use the same to the exclusion of the others. The 1st plaintiff informed the defendants that the rest of the queries made in their letter dated 25-4-1996 were irrelevant. On 7-6-1996 the defendants sent a notice to the 1st plaintiff through their Trade Market and Patent Attorneys alleging that the design of the chair registered under No. 169723 was neither new nor original at the time of application for its registration and the said design was previously published in India already by the plaintiffs. The plaintiff replied to the said notice dated 7-6-1996 sic 1996 on 26-6-1996 denying the allegations made by the defendants in their notice dated 7-6-1996 and confirmed that the registration obtained by the 1st plaintiff in respect of the chair is valid and cannot be cancelled. Despite this correspondence, the defendants started manufacturing and selling the Baby chairs with the impugned design and aggrieved by that the plaintiffs have filed the present suit.

3. In the motion taken out by the plaintiffs, prayer for appointment of Court Receiver and temporary injunction is made during the pendency of the suit. It is prayed that the defendants be restrained from applying the registered design No. 169723 in any manner whatsoever to the chairs or any other design which is fraudulent or obvious or colourable imitation thereof and from manufacturing and/or offering for sale the chairs of such design. The plaintiffs have also prayed that the defendants be restrained from using in any manner the Baby chairs of the shape, colour scheme and get up as appearing in Exh. F to the plaint or any other shape, get up, and colour scheme so as to pass off or enable others to pass off the defendants goods as and for the goods of the plaintiffs. In substance the plaintiffs are asking for temporary injunction restraining the defendants from infringing the 1st plaintiffs Registered Design No. 169723 and from manufacturing or selling their chairs by using the shape, colour scheme and get up of the plaintiffs to pass off the said goods as the goods of the plaintiffs. The plaintiffs have also prayed for appointment of Court Receiver for all such chairs in possession and control of the defendants and the documents relating thereto with all powers under Order 40, Rule 1 of the C.P.C. In support of the Notice of Motion an affidavit of Shri Ajit Namajirao Desai, who is the Deputy General Manager (Tech.) of the 1st plaintiff, has been filed. He has re-stated the facts in his affidavit which have been averred in the plaint. The defendants are contesting the Notice of Motion taken out by the plaintiffs. The 1st affidavit-in-reply was filed by the defendants on 5-8-1996 and further affidavit has been filed on 30-8-1996. The opposition to the Notice of Motion the defence by the defendants as culled out from the affidavit-in-reply is based on the grounds:

The plaintiffs claim that the design of Baby chair with human face on the backrest has been originally conceived by them in or about 1994 is false to their own knowledge. The said design had already been published in India by one Production S.A. The catalogue published in India by one production S.A. depicting plastic chairs consisting of human face on the backrest was published in India since February 1995. Even prior to the application for registration made by the 1st plaintiff on 22-8-1995, the Baby chairs bearing the said design was openly sold in India by the plaintiffs prior to its registration. In support of prior publication, the defendants in their affidavit-in-reply sought to rely on catalogue of Production S.A. and two invoices bearing No. 144 and 172 both dated 31-5-1995. The defendants have already made an application for cancellation of the registered design bearing No. 169723 of the 1st plaintiff under section 51-A of the Design Act, 1911 before the Controller of Patent and Design on the ground that the design had been published in India prior to the date of registration. The defendants in their defence also set up a case that the registration of the design in favour of the 1st plaintiff is of recent date and the validity of registration being seriously disputed on various grounds including on the ground of prior publication, lack of originality and such other grounds, the registration of design in favour of the plaintiff is not prima facie evidence of its validity. Alternatively the defendants set out the case that the impugned design of defendants baby chair is substantially different from the plaintiffs registered design. It is stated that as per the first plaintiff's the registered design of Baby chair, statement of novelty is confined to backrest portion and the seat. According to the defendants while the backrest of the plaintiffs chair does not have any holes, the defendants

chairs have permanent holes. The seat of the defendants chair is completely different from the seat appearing in the registered design of the 1st plaintiff. The plaintiffs chairs are sold under the trade mark "Moderna Champ", whereas the defendants chairs are sold under a totally different trade mark "Prima". The defendants thus submitted that the plaintiffs are not entitled to the grant of interim reliefs as prayed.

4. In response to the affidavit-in-reply filed by the defendants, the plaintiffs have filed affidavits-in-rejoinder of Shri Ajit Namajirao Desai, Shri Mahendrakumar Arora, Shri Anju Pande partner of M/s. Eros General Agencies, and Shri Deepak Kedia, Proprietor of M/s. Venus Enterprises. By the said affidavits filed in rejoinder, the plaintiffs have sought to set up a case that as regards the catalogue of Production S.A. alleged to be published in India depicting the design of human face and the backrest of a chair and claiming to be in possession since February 1995, the details are not furnished by the defendants as to how, where and when the said catalogue was published in India and from whom the defendants came in possession of the said catalogue. The plaintiffs stated that the said catalogue is of a Greek Company who had sold the said chairs with the said design in India at any time. The said company Production S.A. has also never advertised the said chair in India at any time. According to the plaintiffs the said design depicted in the alleged catalogue is not shown to have been published in India prior to the application for registration of the 1st plaintiff made on 22-8-1995. As regards the sale of baby chairs bearing design No. 169723 by the plaintiffs prior to the application dated 22-8-1995, in the affidavit-in-rejoinder filed by Shri Ajit Namajirao Desai it is explained that two invoices referred by the defendants relate to the 2nd plaintiff and that it would be dealt with by the 2nd plaintiff. He however explained that there is an understanding between the 1st plaintiff and the 2nd plaintiff that when the 1st plaintiff conceives and/or prepares a new design in the plastic furniture, they would consult the 2nd plaintiff about the commercial potentiality of the design and after the same is approved by the 2nd plaintiff, the 1st plaintiff would apply for registration of the said design and the 2nd plaintiff would place orders with the 1st plaintiff for manufacture of the said product. It is further explained that as per the secrecy arrangement between the 1st plaintiff and the 2nd plaintiff, if the new product with new design is manufactured and delivered to the 2nd plaintiff as per the 2nd plaintiffs order prior to its registration, the said order remains confidential and the 2nd plaintiff is not allowed to publish and sell the said product in the open market unless they receive information from the 1st plaintiff. In the affidavit-in-rejoinder filed by Shri Ajit Namajirao Desai it is further explained that the said design of baby chair with design of human face on the backrest manufactured and delivered by the 1st plaintiff to the 2nd plaintiff, the 2nd plaintiff were informed by the 1st plaintiff that the 1st plaintiff would apply for registration of the said design under the Design Act and they should keep their order confidential and should not publish and/or sell the said product with the said design unless the 1st Sic 2nd plaintiff receive confirmation form the 1st plaintiff regarding the registration of the said design. It is thus stated by Ajit Namajirao Desai that the 2nd plaintiff were not entitled to publish and/or sell the said chairs in open market unless the said design was applied for registration by the 1st plaintiff and according to him the 2nd plaintiff had kept the said product with the said design confidential and also asked their dealers not to publish the same till they receive confirmation from the 1st plaintiff. It is then urged in the affidavit-in-rejoinder on behalf of the 1st plaintiff that if at all any breach of secrecy agreement has been committed by the 2nd plaintiff, it cannot be considered as prior publication, Shri Mahendra Kumar Arora who has filed affidavit on behalf of the 2nd plaintiff

has also referred to the understanding and arrangement between the 1st plaintiff and the 2nd plaintiff as stated by the 1st plaintiff in their affidavit-in-rejoinder. It is further stated by him that in view of the secrecy arrangement between the 1st plaintiff and the 2nd plaintiff, the 2nd plaintiff used to place trial orders with the 1st plaintiff which remain in confidentiality till the said product is launched by the 2nd plaintiff in the market after they receive confirmation from the 1st plaintiff. As regards the Baby chair with new design of human face on backrest, the 2nd plaintiff has placed orders with the 1st plaintiff for purchase of the said Baby chairs and stored them in the godown in various branches with instructions not to sell openly in the market. According to him the dealers also as per the understanding with the 2nd plaintiff has maintained secrecy of the product and did not sell the same in the market. The affidavit of Shri Deepak Kedia who is the proprietor of Venus Enterprises and Shri Anju Pande, partner of M/s. Eros General Agencies to whom the chairs have been sold by the 2nd plaintiff is to the effect that on receipt of the product from the 2nd plaintiff, they stored the same in their godown and only in the month of September 1995 after they were informed about the launching of the said product by the 2nd plaintiff, they started selling the said product.

5. Mr. Virag Tulzapurkar, learned Counsel for the plaintiffs during the course of arguments referred to the facts stated in the plaint and the affidavits filed in support of the Notice of Motion and the affidavits-in-rejoinder and also referred to a number of cases, namely, *Dwarkadas Dhanji Sha v. Chotalal Ravicarandas & Co.*, A.I.R. 1941 Bombay page 188. *The Pilot Pen Co. (India) Pvt. Ltd. v. The Gujarat Industries Pvt. Ltd.*, ; *Western Engineering Co. v. Paul Engineering Co.*, ; order of this Court in Notice of Motion No. 897 of 1998 in Suit No. 926 of 1998- *Hawkins Cookers Ltd. v. M/s. Dharmesh Enterprises*, decided on 16-3-1998; *Joginder Singh v. Tehu Enterprises Pvt. Ltd.*, ; *Indo Asahi Glass Co. Ltd. v. Jai Mata Rolled Glass Ltd.*, ; *Factory Manager, Model Mills Nagpur v. State Industrial Court*, ; *Damomal Kausomal Raisinghani v. Union of India*, ; *Mohan Lal v. Mirza Abdul Gaffar*, ; *R.I. Chudzikowski v. A. Sowak (Trading as Premier Productions)*, 1957 R.P.C. page (111); *Tobu Enterprises Pvt. Ltd. v. Megha Enterprises and another*, 1983, P.T.C., page 359; *Alert India v. Naveen Plastics*, 1997 P.T.C. (17), page 15; *Camlin Pvt. Ltd. v. National Pencil Industries*, ; *M/s. National Chemicals and Colour Cop. v. Teckitt and Colman of India Ltd.*, *Mohammad Abdul Karim v. Mohammed Yasin*, ; *Sant Kaur v. Sher Singh*, A.I.R. 1923, Lahore page 476; order passed by this Court in Notice of Motion No. 3172 of 1995 in Suit No. 3305 of 1995 decided on 17-11-1997.

6. On the other hand, Mr. Ravi Kadam, learned Counsel for the defendants reiterated the stand taken by the defendants in their affidavit-in-reply and relied upon various decisions, namely *Gunston v. Windox*, 1921(38) R.P.C. page 40; *A Pressler & Co. Ltd. v. Gartside & Co.*, of Manchester Ltd. 1933(50) R.P.C. 240 *Winfield v. Snow*, 1891(8) PRC page 15; *Humperson v. Syer*, 1897(4) R.P.C. page 407; *Indo Asahi Glass Co. Ltd. v. Jai Mata Rolled Glass Ltd.* 1995 RP page 89; *Tobu Enterprises Pvt. Ltd. v. Megha Enterprises*, 1983 P.T.C. page 359; *M.S. Niky Tasha India Pvt. Ltd. v. M/s. Faridabad Gas Gadgets Pvt. Ltd.*, 1984 P.T.C. page (87); *Benchairs Ltd. v. Chain Centre*, 1974 R.P.C. page 429; *S.P. Chengalvaraya Naidu (dead) by Lrs. v. Jagannath (dead) by LRs.*, ; *Ciba Gaigy Ltd v. The Pharmaceutical Industries*, 1997 P.T.C. 17. Mr. Kadam also sought to rely on some unreported orders of this Court, namely, Notice of Motion No 3031 of 1994 in Suit No. 4226 of 1994-*Hawkins Cookers Ltd. v. M/s. Meera Metal Industries*), decided on 24-9-1997; Order in Notice of Motion of 1995 in Suit No. 3698 of 1995- *M/s. Fernhill Laboratories and Industrial Establishment*

& another v. Savey Herbals Ltd., decided on 10-10-1995;

and order dated 5-9-1997 in Notice of Motion No. 2251 of 1994 in Suit No. 3278 of 1994. Mr. Kadam also referred to a passage from the book of Copinger and Skone James on Copy Right, 13th Edition, in the chapter "Passing of", sub-title "Get up".

7. The first thing the plaintiffs are required to show is that the design of the defendants chair is the same and in any case substantially similar to the registered design of the 1st plaintiff. Overall similarity in chairs of the plaintiffs and the defendants has to be determined by eye. If visual features of shape, configuration pattern of two designs are similar or strikingly similar by the eye, it is not necessary that it must be exactly identical and same. The matter must be looked at as one of substance and essential features of design ought to be considered. In *Dunlop Rubber Co. v. Golf Ball Development*, 1931(48) R.P.C. page 268, Farwell, J., observed, "Now, if a case where the registered design is made up of a pattern which has no one striking feature in it, but it appeals to the eye as a whole, it may very well be that another design may be an imitation of it which makes the same appeal to the eye, notwithstanding that there are many differences in the details. It may well be that is so; but I think conversely it is true to say that, if a design has in it a striking feature which captures and holds the eye, and which is the one thing that strikes the eye when one looks at the design, a design which otherwise may be like a registered design but which eliminates the striking feature or alters it so that it is not recognisable, in such a case it seems to me it is impossible to say that one is an imitation of the other, "The striking feature here in the present case is in the shape and pattern of chair consisting of holes of human face backrest and inserts, in the said holes. If the design of the chairs of the defendants is seen, to the eye of the Court, it clearly appears that it has the holes of human face backrest and removable inserts of the said holes. It is true that the seat of the chair of the registered design of the 1st plaintiff is not exactly identical and is rather different from the seat of the chair of the defendants, yet the said distinction does not make out a substantial difference in the light of the particular holes of human face backrest and removable inserts of the said holes which are conspicuous by their presence in the chair. The distinctive features of the plaintiffs chair are identical and similar to the chair of the defendants. If the plaintiffs and the defendants chairs are looked at in the light of the backrest, to the eye it appears to be the same and the difference of the design in seat pales into insignificance. The broad difference pointed out by the defendants in the design is of the seat which in the background of the striking and distinctive design of the backrest with holes of human face and removable inserts of the said holes do not seems to be of substance. Looking to the chairs of the plaintiffs and the defendants as a whole which have been shown in exhibits and were also shown to the Court during the course of hearing, I find that the design of the defendants chair is not substantially different from the plaintiffs chair. To that extent the case set out by the defendants in their affidavit-in-reply that the defendants design is substantially different from the plaintiffs registered design cannot be accepted. The defendants are not right when they say that their chairs are completely different from the chairs which are sold by the plaintiffs under the trade mark "Moderna Champ" or that the defendants chairs are substantially different for the plaintiffs registered design.

8. However by similarity of such design, the plaintiffs by itself cannot claim the relief sought for in the motion. The prayer for temporary injunction and appointment of Receiver is based on two

grounds; (i) the 1st plaintiff is the proprietor of the registered design; and (ii) the plaintiffs have acquired distinctiveness, reputation and goodwill in the said design, and therefore, the defendants cannot pass off the said goods as that of the plaintiffs. It is true that the 1st plaintiff has got its design registered bearing No. 169723 under the Design Act, but it is well settled principle of law that the certificate of registration by itself is not conclusive of the validity of the registration or that such design is new and original. Section 2(5) of the Designs Act defines "design" with only features of shape, configuration, pattern or ornament applied to any article 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. The provision for application for registration of design is made in section 43 of the Act which provides that on the application of any person claiming to be the proprietor of any new or original design nor previously published in India, the Controller may register the design under the Act. Where a design has been registered in one or more classes of goods, the application of the proprietor of the design to register is in some one or more other classes shall not be refused, nor shall the registration thereof be invalidated on the ground that the design not being a new or original design, by reason only that it was so previously registered or on the ground of the design having been previously published in India by reason only that it has been applied to goods of any class in which it was so previously registered, subject of course to the condition that such subsequent registration shall not extend the period of copyright in the design beyond that arising from previous registration as provided under section 43 of the said Act. The Controller grants certificate of registration to the proprietor of the design when registered under section 45 of the Act and the register of design is kept and maintained in terms of section 46 of the Act. It is provided in section 46(3) of the Act that the register of design shall be prima facie evidence of the matters by the Act directed or authorised to be entered therein. When design is registered, the registered proprietor of the design has copyright of the design for five years from the date of registration under section 47 of the Act. It is not lawful for any person for the purpose of sale to apply or caused to be applied to any article in any class of goods in which the design is registered during the existence of copyright in any design. For contravention thereof remedy is provided in section 53 of the Act to initiate legal proceedings against the offender by the proprietor having copyright in the design. Section 51-A of the Act provides that any person interested may present a petition for cancellation of the registration of design on the grounds, namely (i) that the design has been previously registered in India; (ii) that it has been published in India prior to the date of its registration; or (in) that the design is not a new or original design. In Dwarkadas Dhanji Sha's case (supra), this Court held thus :--

"The words of section 46(3) however are that the entry with regard to the name and address of the proprietor or proprietors of the registered design is prima facie evidence to that effect. That means in my opinion that there is a prima facie presumption that the person whose name is registered as the proprietor is the proprietor of a new or original design, but the entry in the register is not conclusive proof thereof, and the presumption can be rebutted. It is true that under section 43 no registration can be effective unless the design sought to be protected is new or

original and not of a pre-existing common type. But the certificate is not conclusive, and there is nothing in the Act which prevents the defendant in a suit for damages for infringement of a registered design under section 53 from raising in defence the plea that the design was previously published and was neither new or original: see 56 AALL 1032. "It was pointed out that unless it was final and conclusive there was no advantage in having certificate of registration. The advantage is that if no evidence is led by the defendants to be contrary, the certificate is sufficient evidence that the plaintiffs are the proprietors, that is proprietors of a new or original design. If evidence is led, it is for the Court to come to its finding on the question. A further advantage is that as the register is prima facie evidence of the matters contained in it, the onus ordinarily will be on the defendants to show that the plaintiffs are not the proprietors of the registered design in question."

9. Thus this Court ruled that the certificate is not conclusive and there is nothing in the Design Act which prevents the defendants in a suit for damages for infringement of the registered design under section 53 from raising in defence a plea that the design was previously published and was neither new or original.

10. The defence which is permissible to a defendant in the legal proceedings provided under section 53 of the Act is always available to the defendant to be raised at interlocutory stage as well. In other words, the defence which the defendant can set up finally in the defence of the suit under section 53 that such certificate is not conclusive because the design was previously published or was neither new or original, the said defence can always be set up at interlocutory stage while contesting the application for interim relief. In Hawkins Cookers case, I stated the legal position in the following words : "Once the certificate of registration is issued by the Controller under the Designs Act, a prima facie presumption is attached that the person whose name is registered as proprietor of design in Register of Designs is the proprietor of new or original design. Such presumption of course is not conclusive and it is open to the other side to rebut that presumption by producing sufficient material to show that the proprietor of such design is not the proprietor of the new or original design..... I am of the considered judgment that it is not necessary that before raising such plea that such proprietor is not proprietor of new or original design in the suit contesting injunction the opposite party (defendant) ought to have made an application for cancellation of registration under section 51-A of the Designs Act. It is open to the defendant in a suit for injunction filed by the registered proprietor against him to plead and prove in defence finally or at interlocutory stage that the registered proprietor of such design is not proprietor of new or original design and design so registered is pre-existing common type.

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11. In the background of the aforesaid legal position if plea of the defendants that prior to the registration of the 1st plaintiffs design, the said design was already published by way of sale of chairs of the said design, is examined coupled with the material placed on record, I find that the defendants have been able to rebut the presumption arising in plaintiffs favour on the basis of the registration of the design. While narrating the facts above, I have already observed that the

defendants are denying the claim of the plaintiffs that the design of the Baby chairs with human face on the backrest was originally conceived by the 1st plaintiffs in or about 1994 on two grounds; (i) catalogue of Production S.A. published in India depicting a device of human face on the backrest, and (ii) the sale of such chairs with that design by the plaintiffs prior to the make of an application for registration. So far as the catalogue of one Production S.A. relied on by the defendants is concerned, much reliance cannot be placed on the same in the absence of complete material as to how, where and when the said catalogue was published in India and from whom the defendants came in possession of the alleged catalogue. The defendants have also not been able to show that the said catalogue was published in India and in what manner. It is also not shown as how it came in possession of the defendants. On the basis of the catalogue of one Production S.A. therefore it cannot be said that the design of baby chairs with human face on the backrest was published prior to the application for registration dated 22-8-1995. However, the material placed on record by the defendants regarding the sale of such chairs by the plaintiffs prior to application dated 22-8-1995 prima facie leads to the conclusion that design of such chairs was published prior to the application for registration made by the 1st plaintiff on 22-8-1995. In this connection the defendants have placed four invoices on record. One invoice is of 31-5-1995 whereby the 2nd plaintiff has sold 60 baby chairs (Moderna Champ -CS 70) to Venus Enterprises at Bombay. Three other invoices are of 31-7-1995, out of which one relates to sale of 200 chairs (Moderna Champ CS 70) to one Eros General Agencies, Nagpur, the other relates to sale of 24 such chairs to one Novelty Palace, Madras, and the third relate to sale of 50 chairs to Shalimar Furniture. The application for registration has been made by the plaintiffs on 22-8-1995. Thus all the aforesaid invoices relate to sale of chairs bearing the design in question much before the application for registration was made. The said sale is by plaintiff No. 2 from Bombay to Nagpur, Madras, Bhayander and local Bombay itself. The explanation given by the plaintiffs in the affidavit-in-rejoinder based on secrecy and confidential arrangement between the 1st plaintiff and the 2nd plaintiff on the one hand and the 2nd plaintiff and its dealers on the other hand is difficult to believe prima facie for more than one reason and I am not persuaded to accept the said explanation set out by the plaintiffs in rejoinder. Firstly, it would be seen that neither in the affidavit-in-rejoinder filed by the 1st plaintiff nor in the affidavit-in-rejoinder filed by the 2nd plaintiff, the date of agreement is mentioned and reference is made only regarding some understanding and secrecy arrangement. However, during the course of argument Mr. Tulzapurkar relied on the secrecy agreement dated 19-1-1994 specifically between the 1st plaintiff and the 2nd plaintiff.

Since there is no reference of the said agreement dated 19-1-1994 in any of the affidavits filed by the plaintiffs, prima facie such agreement does not inspire any confidence. Secondly in the affidavit-in-rejoinder, neither the 1st plaintiff nor the 2nd plaintiff have given details about the orders placed by the 2nd plaintiff with the 1st plaintiff for purchase of such chairs. In none of the affidavits the dates of the orders placed by the 2nd plaintiff with the 1st plaintiff for supply of the said chairs before the application for registration was made, has been given. The plaintiffs have also not chosen to give the quantity of chairs so ordered by the 2nd plaintiff to the 1st plaintiff prior to the making of the application for registration. Thirdly, the plaintiffs have come out with a specific case in the plaint that since the date of the application of design registration, the 1st plaintiff has applied the shape and configuration of the said design registered under No. 169723 to plastic chairs for children in various colours and is selling the said product with the said design to their associate

company and the 2nd plaintiff in their turn markets and sells the same to public. Thus the case of the plaintiff in the plaint is definite that the registered design was applied by the 1st plaintiff to plastic chairs for children after the date of application for design registration was made. The application for design registration was made on 22-8-1995. The invoices placed by the defendants clearly show that much before the application dated 22-8-1995 in the months of May and July 1995, the 2nd plaintiff had already sold a good number of such chairs to the dealers at Madras, Nagpur, Bhayander etc. If the 1st plaintiff applied the shape and configuration of the said design registered under No. 169723 to the plastic chairs for children after the date of the application for design registration was made as has been averred in the plaint, there could not have been sale of such chairs with that design prior thereto. In the affidavit-in-rejoinder as regards the two invoices, the 2nd plaintiffs have admitted such sale to its dealer's though they have set up the case that the dealers were under there secrecy arrangement required not to sell to the public at large. The fact however remains that the case set up by the plaintiffs in para 9 of the plaint prima facie does not seem to be correct. Fourthly, the plaintiffs have only given their explanation with respect to the two invoices regarding sale of chairs by the 2nd plaintiff to the M/s. Venus Enterprises, and M/s. Eros General Agencies, but no explanation whatsoever has been given by the plaintiffs in respect of the two other invoices placed by the defendants on record pertaining to the sale of 50 chairs to Shalimar Furniture on 31-7-1995, and 24 chairs to Novelty Palace, Madras. During the course of argument, Mr. Tulzapurkar submitted that no reference has been made regarding the said two invoices in their affidavit-in-reply by the defendants and therefore, question of giving any explanation in respect of these two invoices by the plaintiffs did not arise. In the alternatively, he submitted that the defendants did not give inspection of the said invoices to the plaintiffs and therefore, there was no occasion for such explanation. This argument of Mr. Tulzapurkar cannot be accepted. It would be seen that in the affidavit filed by the defendants on 4-9-1996 which is dated 30-8-1996, the details of the invoices have been given. It is clearly stated in the said affidavit that the defendants have come in possession of copies of the 2nd plaintiffs invoices No. 665 and 8137 both dated 31-7-1995 evidencing sale of plaintiffs chairs of Moderna Champ-CS 70 and the defendants sought to crave leave to refer to and rely upon the said invoices. The plaintiffs never raised any grievance that the inspection of the said documents have not been given to them despite demand. The obvious inference is that the plaintiffs have no explanation whatsoever with regard to the two invoices No. 665 and 8137 which relate to the sale of 24 chairs to Novelty Palace, Madras, on 31-7-1995 and sale of 50 chairs to Shalimar Furniture at Bhayander on 31-7-1995, both before the date of application for registration made by the plaintiffs on 22-8-1995.

12. At this stage, I may also refer to section 49 of the Designs Act to which heavy reliance was placed by Mr. Tulzapurkar, learned Counsel for the plaintiffs. He urged that the sale of chairs by the 1st plaintiff to the 2nd plaintiff prior to the application for registration was under the secrecy agreement and had no effect on the copyright of the 1st plaintiff, since such disclosure is not a publication of design sufficiently invalidating the copyrights. He also argued that if in breach of good faith the 2nd plaintiff sold chairs to its dealers, such sale also does not have the effect on the 1st plaintiffs copyrights and cannot invalidate their copyrights.

13. Section 49 of the Designs Act reads thus :--

"49. Effect of disclosure on copyright. This disclosure of a design by the proprietor to any other person, in such circumstances as would make it contrary of good faith for that other person to use of public the design, and the disclosure of a design in breach of good faith by any person other than the proprietor of the design, and the acceptance of a first and confidential order for such bearing a new or original textile design intended for registration, shall not be deemed to be a publication of the design sufficient to invalidate the copyright thereof if registration thereof is obtained subsequently to the disclosure or acceptance."

By this section a disclosure of a design by the proprietor to any other person in good faith is not deemed to be a publication of design sufficient to invalidate the copyrights thereof if the registration is obtained subsequently to the disclosure. The other person to whom the design has been disclosed if acts in contrary to good faith in which the design was disclosed to him and uses such design or publishes such design, such user and publication of design by other person other than the proprietor of the design by legal fiction under section 49 is not deemed to be a publication of the design sufficient to invalidate copyrights. Section 49 thus preserves and protects the proprietor's registration in the circumstances, when the disclosure of design is made by the proprietor to any other person in good faith. The expression "disclosure" used in section 49 when seen in the light of the facts of the present case, it would be noticed that the 1st plaintiff has sold the chairs of design in question prior to its registration as a commercial proposition. Such sale by the 1st plaintiff to the 2nd plaintiff of the chairs having the design in question prior to its registration or for that matter prior to the application for registration, in the facts and circumstances of the case and material placed on record, obviously would not be covered under section 49 of the Act. As I have already observed the explanation set up in the rejoinder by the plaintiffs pertaining to secrecy arrangement between the 1st plaintiff and the 2nd plaintiff does not inspire confidence, prima facie for various reasons, which I have already indicated above and which I do not intend to repeat. The sale of such chairs by the 2nd plaintiff having the design in question manufactured by the 1st plaintiff to various dealers, in the circumstances where plaintiff No. 1 has joined plaintiff No. 2 in this action cannot be inferred to be in breach of good faith. It cannot be inferred that the 1st plaintiff was not aware of the marketing of the chairs by the 2nd plaintiff which were sold by the 1st plaintiff to the 2nd plaintiff when the 2nd plaintiff is an associate company of the 1st plaintiff as is stated in the plaint itself and is marketing agent of the entire products of the 1st plaintiff of moulded plastic furniture. The facts and circumstances, which have come on record, rule out the applicability of section 49 as has been sought to be urged by the learned Counsel for the plaintiffs. The chairs of design in question seem to have been started manufacture by the 1st plaintiff much before the application for registration was made and after manufacture, such chairs have been sold by the 1st plaintiff to the 2nd plaintiff. The plea of secrecy understanding between the 2nd plaintiff and its dealers also does not inspire confidence. It does not make commercial sense that a dealer would purchase few dozens of chairs for keeping those in his godown and not sell these chairs in the market. How could a dealer block its money and space by purchasing few dozens of chairs from 2nd plaintiff with an understanding that such chairs would not be sold to the public till the 1st plaintiff confirms for sale of such chairs after the design is registered. Nobody could anticipate the time that would be taken by the Controller in passing orders on the application for registration. The purchaser dealer of ordinary commercial prudence would not block his money on the purchase of chairs which he cannot immediately sell

The two affidavits of Deepak Kedia and Anuj Pande cannot be believed. The material thus placed on record by the defendants by way of four invoices two of which remain unexplained by the plaintiffs prime facie show that the chairs with the impugned design were published prior to the registration of design. Thus the defendants have been able to establish prior publication of the design in question prima facie, which at this stage of consideration rebuts the presumption sought to be placed by the plaintiffs on the basis of the certificate of registration that the design was new or novel and not previously published prior to the date of registration. I am conscious of the fact that the defendants have made an application for cancellation of plaintiffs registration under section 51-A of the Designs Act before the Controller and therefore, I have confined my observations only for the purposes of consideration of this Motion for interim relief and I make it clear that the observations made herein above shall not influence the Controller in deciding the application under section 51-A of the Act on its merits in accordance with the law. The observations have been made only to find out whether a case for grant of injunction during the pendency of the suit has been made out by the plaintiffs or not and need not be read any further.

14. In view of the aforesaid reasons, the plaintiffs are not entitled to grant of any temporary injunction on the ground that the defendants are infringing the first plaintiffs registered design No. 169723.

15. Coming to the aspect of passing off, it may be observed that the plaintiffs in the plaint have averred that after the design was registered, in short span of time they have sold chairs valuing Rs. 199.22 lakhs. According to the plaintiffs therefore they have acquired goodwill and their design with holes of human face and backrest and removable inserts acquired distinctiveness.

16. Copinger and Stone James on Copyright at pages 757 and 758 in their 13th edition states thus :

"Goods of a particular get up just as much proclaim their origin as if they had a particular name attached to them. When goods are sold with a particular get up for long enough, they may come to be recognised by the public as goods of a particular manufacturer, even if the public does not know who is in fact the particular manufacturer. By adopting a similar get up for his goods the defendant may in fact be representing to the public that his goods are the goods of the plaintiff and thereby attach to himself some pan of the goodwill and reputation enjoyed by the plaintiff in respect of his goods.

In order to establish goodwill in a particular get up, there must be something more than mere similarity between the goods themselves. Get up is mainly concerned with such matters as the design of the packaging and any associated labels which, over a period of time, the public come to associate with goods of a particular manufacturer. To copy is not to pass off. Merely copying the shape of that other persons goods or articles is not in itself a false representation. Subject to some such monopoly as registered design or statutory right of property, such as copyright, anyone is entitled to copy and sell an article on the market, provided that he does not make a false representation suggesting that the articles which he is selling is in fact that of the

plaintiff. A person does not, for example, hold himself out as a licensee of another simply by reproducing that others work, whether in an altered or unaltered form. There is thus a difference between imitating get up and reproducing the article. The plaintiff must show something more than mere similarity between the goods themselves to constitute a representation amounting to passing off. There may, indeed, be cases where an article itself is shaped in an unusual way, not primarily for the purpose of giving some benefit in use or for any other practical purpose but capriciously in order purely to give the article a distinctive appearance characteristic of that particular manufacturer's goods. In such a case the manufacturer might be able, in the course of time, to establish that he has a reputation and goodwill in the distinctive appearance of the article itself which will give him a cause of action in passing off if his goods were copied. In those circumstances, the putting of a copy on to the market with the distinctive feature or combination of features in question would amount to a misrepresentation that it emanated from the plaintiff."

17. It would be seen that in order to establish goodwill and distinctiveness in a particular get up, there must be something more than mere similarity between the goods themselves. Mere copying is not to pass off. If a person copies shape or configuration or get up of other persons goods or article, by itself it cannot be said that he has made false representation. No one is prevented from copying and selling an article in the market provided he does not make a false representation suggesting that the article which he is selling is in fact that of plaintiff. Monopoly in the property is only preserved in favour of registered design holder. If the plaintiff has to succeed on the ground of passing off, he must show something more than mere similarity between the goods. Exceptions apart, where an article is shaped in an unusual way not primarily for giving same benefit in use or for any other practical purpose, but capricious in order purely to give an article a distinctive appearance, characteristic of that particular manufacturer's goods, a case may be made out by the plaintiff that he has reputation and goodwill in the distinctive appearance of the article itself which could provide him a cause of action in the passing of if his goods were copied.

18. In *Benchairs Ltd.* a case relating to resemblance of chairs Chancery Division on the question of passing off, has held thus :

"The question then arises whether as a matter of law the mere fact of the similarity between two articles can ever give rise to a claim of passing off. The plaintiffs assert that it can on the basis that the shape of the article itself is an attribute equivalent to get-up in the sense normally used in trade mark cases, and that such authorities as *Haig v. Forth Building Co. Ltd.*, 1953(70 R.P.C. 259, concerned with the *Haig "Dimple" whisky bottle*, *Coca-cola Co.*

v. Barr & Company, 1961 R.P.C. 387, concerned similarly with a bottle of unusual shape, and *Hoffmann-La Roche v. D.D.S.A.*, 1972 R.P.C. 1, concerned with a distinctive green and while cap sule containing the tranquilliser drug *chlordiazepoxide*, are authority for such a proposition. In these cases it is said the articles sold are the bottle of whisky, the bottle of *Coca Cola* and the capsule

containing the drug, that those articles as such have a distinctive shape or appearance characteristic of the proprietor, and that anyone who sells articles of a similar shape or distinctive appearance is liable to an action for passing off.

For the defendants, on the other hand, it is said this argument in its broadest aspect is misconceived, for the following reasons. The cases cited, say the defendants, are all cases where there is a distinctive get-up under or in connection with which the respective goods, namely whisky, Coca-Cola and the drug chlordiazepoxide, are sold, and that the respective get-up had been imitated by the defendants in these cases who were therefore liable for passing off. On the contrary they say there can never be an actionable wrong of passing off merely upon proof that one person is selling an article which is the same or similar in appearance to another article, it being a fundamental right, so far as passing off is concerned, of any member of the public to copy an article of any other person and to sell it provided that no representation, either directly or indirectly, such as by similar get-up, is made that the defendants article emanates from the plaintiff of letters patent or of design copyright are, of course, excluded from consideration for present purposes, attention being directed solely to the wrong of passing off.

The essence of passing off is, it is said by Mr. Watson, and I agree, the false representation by the defendant that his goods are those of the plaintiff, as has been laid down by the authorities for well over a century in numerous cases. This is, for example, noted by Harman, L.J. in *Hoffmann-La Roche v. D.D.S.A.* 1972 R.P.C. 1 at 18, where he quotes the words of Lord Halsbury in *Powell v. Birmingham Vinegar Brewery Co. Ltd.*, 1897 A.C. 710, who in his turn is quoting the words of Turner, L.J., in *Burgess v. Burgess*, 1853(3) De. G.M. & G. 896, If there is no such false representation there can be no passing off, and the mere copying of the shape of the plaintiffs article is not in itself such a representation. Anyone is entitled, subject to some monopoly or statutory right preventing him, to copy and sell any article on the market, and false representation and passing off only arise when a defendant does something further which suggests that the article which he is selling is that of the plaintiff. This he may do by a direct representation to that effect such as by the use of the plaintiffs name or mark, or by an indirect representation such as by imitation of get-up by enclosing the article in a distinctive package which is similar to that used by the plaintiff."

19. In *Benchairs Ltd. the Chancery Division* referred to *Haig v. Forth Building Co. Ltd.*, 1953(70) R.P.C. 259; *Coca-Cola Co. v. Barr & Company*; 1961 R.P.C. page 387; and *Hoffmann-La Roche v. D.D.S.A.*, 1972 R.P.C. page 1, and observed that in all these cases there was something more than mere similarity between the goods themselves to amount to representation constituting passing off. The Chancery Division further went on to clarify that there may be cases where an article itself is shaped in an unusual way, not primarily for the purpose of giving some benefit in use or for any other practical purpose but capriciously in order purely to give the article a distinctive appearance characteristic of that particular manufacturer's goods. In such a case the manufacturer must

establish their reputation and goodwill in such distinctive appearance of the articles itself which will give him a cause of action for passing off if his goods were copied. When these principles are applied to the facts in hand, it would be noticed that the plaintiffs design of Baby chair with human face backrest and with removeable inserts was made for educational purposes of the children. The plaintiffs themselves in para 5 of the plaint have averred that the 1st plaintiff first conceived the idea of providing a novel shape and design to a Baby chair with human face on backrest with removeable inserts having educational values. These features according to the plaintiffs primarily have value in use and, therefore I find there is no restriction for the defendants to copy that if they do not make false representation. From the available material it is clear that the defendants are not making false representation which may give the plaintiffs cause of action because the defendants are selling the said chairs with conspicuous label "Prima" while the plaintiffs are selling the said chairs with trade mark "Moderna Champ". Prima-facie, therefore, I am of the view that the observations made by the Chancery Division in Benchairs case relating to passing off are equally applicable in the present case. I am not satisfied on the material placed on record that a case for passing off is made out (sic) the plaintiffs to interim reliefs prayed for in the Notice (sic)

20. For the reasons aforestated, the plaintiffs are not entitled to grant of any interim relief on passing off as well.

21. However, despite the fact that I have found that prima facie the plaintiffs have not been able to make out a case for interim injunction or Receiver as prayed for, I am of the view that unconditional order of refusal may lead to a situation where if ultimately the plaintiffs succeed in the trial, they may not be able to even get damages. To avoid that situation, I am of the view that interest of justice would be served if some conditions are imposed on the defendant which may safeguard the rights and interest of the plaintiffs in case they succeed ultimately in the suit. It would be advantageous here to refer to the observations made by Lord Diplock in American Cyanamid v. Ethicon, 1975(1) All.E.R. page 504 which reads thus.

"My Lords, when an application for an interlocutory injunction to restrain a defendant from doing acts alleged to be in violation of the plaintiff's legal right is made on contested facts, the decision whether or not to grant an interlocutory injunction has to be taken at a time when ex hypothesi the existence of the right or the violation of is, or both, is uncertain and will remain uncertain until final judgment is given in the action. It was to mitigate the risk of injustice to the plaintiff during the period before that uncertainty could be resolved that the practice arose of granting him relief by way of interlocutory injunction; but since the middle of the 19th century this has been made subject to his undertaking to pay damages to the defendant for any loss sustained by reason of the injunction if it should be held at the trial and that the plaintiff had not been entitled to restrain the defendant from doing what he was threatening to do....."

"It is no part of the Court's function at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts on which the claims of either party may ultimately depend nor to decide difficult questions of law which call for detailed

argument and mature considerations. These are matters to be dealt with at the trial. One of the reasons for the introduction of the practice of requiring an undertaking as to damages on the grant of an interlocutory injunction was that it aided the Court in doing that which was its great object, viz. abstaining from expressing any opinion upon the merits of the case until the hearing (*Wakefield v. Duke of...*)"

"... If damages is the measure recoverable at common law would be adequate remedy and the defendant would be in a financial position to pay them, no interlocutory injunction should normally be granted, however strong the plaintiffs claim appeared to be at that stage....."

22. Accordingly I am of the view that it would be in the interest of justice, if the defendants are called upon to file an undertaking to pay damages in the event of plaintiffs succeeding ultimately in the suit. For the view which I have (sic) feel it necessary to deal with the various judgments cited at (sic) which are already noted above.

23. For the reasons aforesaid, the Notice of Motion is dismissed. However, the defendants are directed to file an undertaking with the Prothonotary & Senior Master of this Court within two weeks from today, undertaking therein that in the event of the plaintiffs succeeding ultimately in the action, they would pay damages as ordered. No costs.

24. Certified copy expedited.

25. Notice of motion dismissed.