

Micolube India Limited vs Rakesh Kumar Trading As Saurabh ... on 15 May, 2013

Equivalent citations: AIR 2014 (NOC) 375 (DEL.) FULL BENCH, 2014 (2) ADR 419 (2013) 199 DLT 740, (2013) 199 DLT 740

Author: Manmohan Singh

Bench: Sanjay Kishan Kaul, Manmohan Singh, Rajiv Shakdher

. * HIGH COURT OF DELHI: NEW DELHI

% Judgment Reserved on : February 19, 2013
Judgment Pronounced on: May 15, 2013

+ I.A. No.11874/2012 in CS(OS) 1446/2011

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

Versus

RAKESH KUMAR Trading As
SAURABH INDUSTRIES & ORS. Defendants
Through : Mr. N.K. Anand, Mr. Pravin Anand,
Mr. Saif Khan, Mr. Monish Biala and
Mr. Nischal Anand, Advs.
Mr. Sudhir Chandra Aggarwal, Sr. Adv.
with Mr. Jaspreet Sareen & Mr. Angad
Varma, Advs. for the Intervenors.

AND
CS(OS) 384/2008 & I.A. No.9537/2011, I.A. No.13404/2012

MOHAN LAL Plaintiff
Through : Mr. Ashok Goel & Mr. Ranjev Kumar, Advs.

Versus

SONA PAINT & HARDWARES Defendants
Through : Mr. Mohan Vidhani, Mr. Rahul Vidhani &
Mr. Arun Jain, Advs.
Ms. Pratibha M. Singh, Advocate
(Amicus Curiae)

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CORAM:

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HON'BLE MR. JUSTICE SANJAY KISHAN KAUL
HON'BLE MR. JUSTICE MANMOHAN SINGH
HON'BLE MR. JUSTICE RAJIV SHAKDHER

MANMOHAN SINGH, J.

1. By way of order dated 30th March, 2012 passed in CS(OS) No.1446/2011, three questions were referred by me alongwith my opinion to the larger Bench of this Court for consideration. Thereafter, the matter was listed before the Hon'ble Chief Justice who was pleased to constitute a full Bench comprising three Judges of this Court. The questions of law which form the subject matter of the reference read as under:

(1) Whether the suit for infringement of registered design is maintainable against the another registered proprietor of the design under the Designs Act, 2000;

(2) Whether there can be availability of remedy of passing off in the absence of express saving or preservation of common law of Designs Act, 2000 and more so when the rights and remedies under the Act are statutory in nature; and (3) Whether the conception of passing off as available under the trademarks can be joined with the action under the Designs Act when the same are mutually inconsistent with that of remedy under the Designs Act.

2. I have had the advantage of going through the opinion recorded by my learned brother, Mr. Rajiv Shakhder J. but despite the great respect which I have for his learning and erudition, I find myself unable to agree with the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.2 of 94 view taken by him. Therefore, I have decided to give my own opinion in a separate judgment which is discussed below.

3. Heard the submissions advanced by the learned counsel for the parties and also considered the legal position including the scheme of the Design Act, 2000 and the statement of objects and reasons of the Act. Additionally, the learned counsels appearing in the matter have also argued on several other aspects as additional points, which I shall be answering separately under the relevant heads of the answers to the reference. Re: Answer to Question 1

4. I am of the view that the question is not merely about the scheme of the Design Act being unlike the Patent Act. The question is also not that whether the registration is prima facie evidence of validity. The question under reference rather invites the construction of Section 22 of the Design Act, 2000 so as to discern whether it permits a suit for infringement of Design by a registered proprietor against the another registered proprietor. The connected question which is required to be answered is more of the nature and characteristic of the monopoly right which is purely conferred by the Statute (which only upon the grant of the certificate provides some valuable rights including the right to sue for infringement) and under these circumstances, whether the registered proprietor of the Design can proceed to sue against another registered proprietor who is enjoying the same privilege by virtue of registration? In my opinion, the answers of both the questions are in negative considering the language of Section 22 of the Design Act in which the said Section has been couched

and also considering the scheme of the Act.

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5. For the purposes of doing this analysis, it is deemed expedient to first have a look at Section 22 and Section 11 of the Designs Act, 2000 minutely. The said Sections read as under:-

"Sec 22. Piracy of registered design. - (1) During the existence of copyright in any design, it shall not be lawful for any person-

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

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

(c) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article. (2) If any person acts in contravention of this section, he shall be liable for every contravention-

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

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

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

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.4 of 94 Provided further that no suit or any other proceeding for relief under this sub- section shall be instituted in any court below the court of District Judge.

(3) In any suit or any other proceeding for relief under sub- section (2), every ground on which the registration of a design may be cancelled under section 19 shall be available as a ground of defence.

(4) Notwithstanding anything contained in the second proviso to sub- section (2), where any ground on which the registration of a design may be cancelled under section 19 has been availed of as a ground of defence and sub- section (3) in any suit or other proceeding for relief under sub- section (2), the suit or such other proceeding shall be transferred by the court, in which the suit or such other proceeding is pending, to the High Court for decision. (5) When the court makes a decree in a suit under sub-section (2), it shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs.

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

(2) If, before the expiration of the said ten years, application for the extension of the period of copyright is made to the Controller in the prescribed manner, the Controller shall, on payment of the prescribed fee, extend the period of copyright for a second period of five years from the expiration of the original period of ten years."

6. Upon the conjoint reading of aforementioned Sections, it is manifest that Section 22(1) provides the rights conferred by the Design Copyright as mentioned in Section 11 of the Designs Act. Section 22 (2) provides for the consequences in case any person acts in contravention to sub-section (1) of Section 22.

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7. The Scheme of the Section 22 (1) itself reveals that the rights which are conferred upon the design right holder are not to be exercised by "any person" other than a registered proprietor are provided under Section 22(1) of the Act and it shall not be lawful such person to apply the said designs else the consequences for contravention as provided under Section 22(2) of the Act shall follow. This construction of the wordings "any person" can be deduced by the careful reading of Section 22 and the reasons for non inclusion of the registered proprietor within its ambit are enumerated as under:

i) Firstly, the language of the Section 22(1) is such which begins with the opening words "during the existence of copyright in any design", it shall not lawful for any person to do the acts without the consent of the registered proprietor. The said Section 22 (1) by virtue of its very language presupposes two participants one being the registered proprietor and another being any person for whom, it shall not be lawful to do the acts as defined in sub-section 22 (1) is such "any person" without the consent of the registered proprietor. The language employed under Section 22 (1) nowhere permits a registered proprietor of the subsequent design to fit into ambit of Section 22 (1). The said "any person" has to be person other than the registered proprietor for whom, the said acts are unlawful without the consent of the registered proprietor. The person who is the registered proprietor himself cannot do unlawful act for applying the design and for whom the consent of the another registered

proprietor is not the sine qua non as his entitlement stands at par with the first registered proprietor. Therefore, "any person" as stated in the Section 22 (1) has to be a person other than a registered proprietor. Any other view, would be doing injustice to the express wordings of the statute.

ii) Subsection (2) of Section 22 has an immediate nexus with sub section (1), if the said any person does not fit within the purview of subsection (1), it cannot be said that the said "any person" shall contravene the provisions of sub-section (1), which would entitle him to the consequences provided under sub-section (2). All this would mean that once a registered proprietor of the design not fall within the purview of CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.6 of 94 "any person", then it is inconceivable as to how he is found to violating the provisions of sub-section (1).

iii) Here, the opportunity comes to analyze Section 22(3) also as it is generally understood that the courts are empowered to examine the correctness of the design certificate in an infringement proceedings.

Let me therefore also have a look at Section 22(3) which reads as under:-

"Section 22 (3) In any suit or any other proceeding for relief under sub- section (2), every ground on which the registration of a design may be cancelled under section 19 shall be available as a ground of defence."

A careful reading of sub section (3) would reveal that the opening words of the section provide for the conditions for the applicability of the said sub section (3), the said conditions are in any suit or proceeding for relief under sub section (2), thus for the applicability of the sub section (3), the suit or the proceeding must relate to one contained under sub section (2) relating to contravention. It passes human comprehension as to when the registered proprietor does not fall within in the ambit of sub section (1), not found violating the sub section (1) under subsection (2), then how the provisions of sub section (3) are applicable in a case where there is one registered proprietor is suing another registered proprietor. If the infringement action itself is not maintainable as per the provisions contained in section 22 (1) and 22(2), where lies the opportunity to consider the invalidity of the registration of the said registered proprietor as the defendant under the provisions of sub section (3) of Section 22.

iv) The court in such a case if proceeds to invalidate the said registered design right of the defendant by invoking Section 22 (3) would have to presuppose that there exists any such legal right to sue against the registered right holder when there exists none in law. Thus, Section 22 (3) cannot be given interpretation wider in amplitude to operate in a field for which it is not even enacted. By doing this would mean, judicial legislation of the enactment, which is impermissible in law.

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v) The question is not the suit is based on the uniqueness or newness of the design but the legal right to sue. If the suit is entertained for infringement against another registered proprietor, the court has to presuppose that there is any right in common law which entitles the court to conduct such enquiry as to invalidity of the registered design of the Defendant, when the language employed in the section no where permits a registered proprietor to be included within the ambit of the words "any person". Such presupposing of the right in common law as if both the parties are before the court to prove the novelty and originality and whosoever succeeds in the same shall entitle for monopoly rights conferred by the statute no where exists. The creation of the said right to test the validity of the registered design of the Defendant in common law would be contrary to the nature and characteristic of Design right which is purely a monopoly conferred by statute and was never protected in common law which is akin to patent.

vi) The occasion to test prima facie validity of the defendant's design arises only when the right to sue exists at the first place as per Section 22 (1) and (2). In the absence of the said right created by the special statute, no a priori assumption of invalidity can be drawn and enquiry as to invalidity of the said design registration by the civil court shall be a jurisdictional error as Section 22 no where permits the same.

vii) From the afore narrated pointers, it can be safely said that neither the plain reading of section 22 suggests that the registered proprietor can be subsumed within the meaning of "any person" nor the nature of monopoly permit any additional right to sue enabling the court to conduct the exercise of forming a prima facie opinion as to invalidity of the another registered proprietor's design as defendant. Under these circumstances, it is doubtful as to how the suit for infringement can be maintained against another registered proprietor.

Let me now evaluate the submissions of the learned counsels for the plaintiff. Much emphasis has been laid by the learned counsel for the plaintiffs that the use of the expression "any person" under Section 22 of the Designs Act would tend to include a registered proprietor especially when CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.8 of 94 the continuing words "other than the registered proprietor" are missing. This argument is sought to be fortified by the argument that the courts are empowered to test the validity of the registered design in the infringement proceedings as per Section 22 (3) and therefore it is sought to be argued that the term "any person" cannot be given a narrow construction but should necessarily include the registered proprietor considering that the design registration nowhere involves examination process and limiting the scope of court's interference would, in fact, undermine the monopoly rights.

8. The answer to the said argument lies in the opening words of the Section 22 clearly begin with "During the existence of copyright in any design it shall not be lawful for any person..." The contextual reading of the said wordings would immediately make it clear that the said section contemplates two kinds of persons; one having a registered design and possessing rights of copyright as per Section 11 who is termed as "registered proprietor" and the other is "any person" who has been distinguished from the registered proprietor by naming it as "any person". This is inbuilt in Section 22(1) wherein two different connotations exist which are "registered proprietor" and "any person".

9. Once the said Section 22 is read completely and meaningfully, it can therefore be easily said that Section 22 presupposes one person being "registered proprietor" and another person being "any person" with whom there lies no monopoly and the opening words of the section are themselves suggestive of the fact when they begin with the wordings "During the existence of copyright in any design....." and thereafter proceeds to use the expressions "registered proprietor" and "any person" within the same section itself. Being conferred with the statutory privilege, registered proprietor CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.9 of 94 who stands at par with another registered proprietor is not contemplated to fit in to the provisions of Section 22(1) as both are conferred with the copyright as per Section 11 rightly or wrongly under the provisions of Designs Act under Section 11 and therefore, it cannot be said that it shall be unlawful for such registered proprietor as he possesses independent right which stands at par with the registered proprietor. Therefore, the expression "any person" in whatsoever terms it may be read either contextually or plainly, it cannot be said that "any person" may include a person who has been conferred with monopoly rights for whom it shall be unlawful to use the design.

10. The contention that the courts are empowered to test the validity of the design in infringement proceedings should support the argument that the suit against the registered proprietor should be maintained is equally unmeritorious. This argument is also fundamentally flawed as the civil court is vested with the power to test the validity of plaintiff's patent when the defendant takes grounds of revocation as a matter of defense in a suit or proceedings under sub-section (2) of Section 22. Thus, the courts have limited power to cancellation to test the validity in an infringement proceedings under sub-section (2) of the Section 22 of Design Act when the grounds of invalidity is taken as a ground of defence and not otherwise. The said powers of the civil court cannot stand at par with the cancellation court as the Design Act is a special act and is a self-contained code.

11. Section 22(3) clearly fortifies the said view. The same is reproduced below:-

"22(3) In any suit or any other proceeding for relief under sub- section (2), every ground on which the registration of a design may CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.10 of 94 be cancelled under section 19 shall be available as a ground of defence."

The reading of said section reveals that there is a suit for infringement where the grounds of invalidity are taken as a ground of defence. The said section nowhere empowers the court to entertain a suit against the registered proprietor wherein the plaintiff pleads cancellation in the plaint itself against the defendant's registration. Doing the same would mean extending the scope of the Section 22 and assuming the powers of cancellation court and making the provisions of cancellation proceedings as provided under Section 19 as otiose. Therefore, the powers of civil court under Section 22(3) to test the validity of the design is limited to the extent the same is available as a ground of defense and not otherwise.

12. It is well settled that the Courts are not allowed to extend or limit the scope of Section and should read the Section as it is.

13. It is equally well settled principle of law that when the power is given by the statute to the court or authority to be performed in a particular manner, the said power has to be performed in that particular manner to the exclusion of the other modes which are implicitly forbidden. Kindly see the judgment passed by the Supreme Court in the case of State of UP vs. Singhara Singh, 1964 SCR (4) 485 wherein the Supreme Court approved the rule laid down in Taylor v. Taylor and has held as under: "The rule adopted in Taylor v. Taylor (3) is well recognised and is founded on sound principle. Its result is (1) I.L.R. [1960] 2 All. 488. (2) L.R. 63 IA. 372. (3) [1875] 1 Ch. D. 426, 431 that if a statute has conferred a power to do an act and has laid down the method in which that power has to be exercised, it necessarily prohibits the doing of the act in any other manner than that CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.11 of 94 which has been prescribed. The principle behind the rule is that if this were not so, the statutory provision might as well not have been enacted. A magistrate, therefore, cannot in the course of investigation record a confession except in the manner laid down in Section 164. The power to record the confession had obviously been given so that the confession might be proved by the record of it made in the manner laid down. If proof of the confession by other means was permissible, the whole provision of Section 164 including the safeguards contained in it for the protection of accused persons would be rendered nugatory. The section, therefore, by conferring on magistrates the power to record statements or confessions, by necessary implication, prohibited a magistrate from giving oral evidence of the statements or confessions made to him. (Emphasis Supplied)

14. Therefore, the power to test the validity of registered design is confined to examining the validity of the design in an infringement proceedings when the grounds of invalidity are taken as a matter of defence, it is inconceivable as to how the court would proceed to examine the validity of design when the infringement action is not maintainable at the first place as the registered proprietor will not fall within the ambit of "any person" and therefore the argument that the civil courts are empowered to test the validity of design in generality is incorrect and cannot come in the aid for laying down the proposition that the suit against the registered proprietor is maintainable when no such power exists.

15. The Design Acts, 2000 is a special act for the purposes of protection of Design. The provisions contained in the Designs Act, 2000 are self contained code. The said provisions clearly provide the rights and remedies CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.12 of 94 available to the registered proprietor of the Design. The Act also provides different kinds of remedies for distinct eventualities arising from time to time. The Act provides for conditions of registrability of the design as per Section 4 of the Act. The Act also provides remedy of the cancellation of registered design as per the grounds contained in Section 19 and Section 4 of the Act. The Act also provides remedies for infringement of the registered design, wherein the law permits the defendant to take the ground of invalidity of the registration as a defence. The said rights, remedies and challenges are prescribed by the Designs Act at the relevant stages under the Designs Act. The scope of the said challenges cannot be extended by conferment of power of one authority to another by judicial legislation. The same would amount to unnecessarily enlarging the scope of the provisions of special act which is Designs Act.

16. If the power of the civil court to entertain the challenge as to validity of the registered Design is confined to be taken as a matter of defence in the suit for infringement, then the same would not mean that there exists implicit power to the court to entertain the suit against the registered proprietor to test the validity of the defendant's design. All this would mean that the civil court seized of the infringement suit would be empowered to grant the prayers of cancellation of the design as well as infringement of design which will virtually convert suit court in to cancellation court in all senses.

17. It must be remembered that Section 22 (3) provides for a limited eventuality coupled with power to entertain challenge as to validity of the design in the suit for infringement. Thus, the civil court seized of the suit for infringement of design would have trappings of the cancellation court in CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.13 of 94 limited sense to entertain challenge when raised as a matter of defence and the suit court is otherwise not the cancellation court for all other purposes.

18. It is trite that the construction which leads to harmony between the provisions should be upheld and the interpretation which renders the operation of the provision otiose must be eschewed.

19. In High Court of Gujarat and Anr. v. Gujarat Kishan Mazdoor Panchayat and Ors., [2003]2SCR799 , the Supreme Court held as under:

"35. The Court while interpreting the provision of a statute, although, is not entitled to rewrite the statute itself, is not debarred from "ironing out the creases". The court should always make an attempt to uphold the rules and interpret the same in such a manner which would make it workable.

36. It is also a well-settled principle of law that an attempt should be made to give effect to each and every word employed in a statute and such interpretation which would render a particular provision redundant or otiose should be avoided" (Emphasis Supplied)."

20. Applying the aforesaid principle of law to the instant case, if the view that the Civil Court is entitled to test the validity of the registered design in generality is accepted even if the defendant is registered proprietor, the same shall render Section 19 of the Designs Act otiose or redundant as no one will approach cancellation court and would prefer to file a suit for infringement of Design along with the cancellation. Thus, the provisions of Section 19 shall be reduced to dead letters in such circumstances. Therefore, it is appropriate to confine sub-section (3) of the Section 22 within the bounds to the extent it permits the challenge as to validity of the design in an infringement proceedings when the ground is taken as a matter of the defence.

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21. The argument has also been raised by the learned counsel for the plaintiff and interveners that Section 9 of the Code of Civil Procedure, 1908 permits every kinds of the suits unless there are

expressly or implicitly barred and thus, this court should accept the plea raised by the plaintiffs. I find that the said plea is devoid of any merit. This is due to the reason after fair reading of Design Act, 2000, it is seems impermissible to the court to entertain action against the registered proprietor as Section 22 (3) provides limited power to test the validity of the Design in the suit for infringement where the ground of invalidity is raised as defence and not otherwise.

22. This is also clear from the view which was taken by the learned single judge of this court under the old Act which is Designs Act, 1911 when the powers to hear cancellation as well as the suit used to be vested in the High Court itself. In those times too, the situation like both the parties were registered proprietor arose and in the case of Western Engineering Company Vs. America Lock Company, ILR 1973 Delhi 177 the learned Single Judge Justice D. Kapur observed thus:

"As regards the third case, namely, the suit for injunction and damages brought by M/s. Western Engineering Company against M/s. America Lock Company, which is based on infringement of the registered design of the former, it is necessary to say that the result of that suit is largely dependent on the conclusions I reach on the two revocation applications before me. At present both parties have registered designs and the question of infringement does not arise. If both designs are revoked, then the suit will fail, but if the design of M/s. America Lock Company is revoked and that M/s. Western Engineering Company is maintained, then the suit will be maintainable. Hence, the decision in the suit depends largely on the result of the two applications for revocation." (Emphasis Supplied) CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.15 of 94

23. It is altogether different matter that the learned Single Judge then proceeded to decide the cancellation as empowered by the old Act 1911 under Section 51A wherein High Court could entertain the cancellation proceedings. But after the amendment and enactment of 2000 Act, as per the Design Act, 2000, the powers to hear cancellation vests before the Controller General of Designs and the High Court powers are in a way divested to hear cancellation petition except to the extent of hearing the challenges to the validity as a defence to the infringement proceeds. The rest of the powers to entertain cancellation are taken away by the Act of 2000. Once, the said powers are divested from this court by way of amendments carried out in 2000 and the controller is exclusively invested with such powers, it would be unwise to assume that the similar powers subsists with the civil court when the civil court has been retained with limited power to examine the validity in the cases where infringement suit is maintainable at the first place.

In the case of East India Corporation Ltd. Vs. Shree Meenakshi Mills Ltd., 1991 SCR (2) 310, the Supreme Court observed that when there exists an act which empowers the specialized tribunal to do the act and entertain a remedy and the Act is self contained code on the conferment of its remedies and rights, then the civil court jurisdiction to entertain the suit though not expressly barred but to the extent the jurisdiction is vested with the specialized tribunal can be implicitly barred if the Act is clear about the remedies provided under it and entrust the same to the tribunals. In the words of the Supreme Court, it was observed thus:

"Section 10 of the Act, as seen above, prohibits eviction of a tenant whether in execution of a decree or otherwise except in accordance with the provisions of that Section or Sections 14 to

16. These provisions as well as the other provisions of the Act CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.16 of 94 are a self-contained code, regulating the relationship of parties, creating special rights and liabilities, and, providing for determination of such rights and liabilities by tribunals constituted under the statute and whose orders are endowed with finality. The remedies provided by the statute in such matters are adequate and complete. Although the statute contains no express bar of jurisdiction of the civil Court, except for eviction of tenants in execution or otherwise, the provisions of the statute are clear and complete in regard to the finality of the orders passed by the special tribunals set up under it, and their competence to administer the same remedy as the civil Courts render in civil suits. Such tribunals having been so constituted as to act in conformity with the fundamental principles of judicial procedure, the clear and explicit intendment of the Legislature is that all questions relating to the special rights and liabilities created by the statute should be decided by the tribunals constituted under it. Although the jurisdiction of the civil Court is not expressly barred, the provisions of the statute explicitly show that, subject to the extraordinary powers of the High Court and this Court, such jurisdiction is impliedly barred, except to the limited extent specially provided by the statute." (Emphasis Supplied)

24. Thus, the power to entertain cancellation proceedings exclusively vests with controller of designs which is a specialized tribunal as per Section 19 except to the extent it is permissible for the civil court to entertain invalidity under the provision of Section 22 (3) in an infringement proceedings. Therefore, the action against the registered proprietor who does not fit within the ambit of Section 22 (1) and 22(2) is clearly implicitly barred as the same is power vested in the specialized tribunal which is Design office or controller of Design as per Section 19 of the Design Act even if the present case is tested on the touchstone of the principles of the Section 9 of the Code of Civil Procedure.

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25. The contention has also been raised by the learned counsel for the parties that the entry made by the design office in the form of issuance of the Design certificate is merely a formal entry and is only a prima facie proof of the validity. Therefore, the said certificate does not attach the presumption as to validity. As such, the courts once faced with an infringement action can draw an inference as to invalidity and proceed with the infringement action on the basis of the invalidity of the said registered design. I find that the said contention is without any substance. The reason is simple which is that when the courts are conferred with a limited power to test the validity of the design only within the bounds of Section 22 (3) and not otherwise. Then, where lies the occasion for the civil court to draw such inference. The question of drawing an inference as to invalidity would arise only once the statute permits such remedy to maintainable at the first place.

26. The aspect that there exists a statutory indicator that the entry made in Design register is merely a formal entry or is subject to rebuttable presumption does not mean that the rights and remedies prescribed under the statute can be interchanged and vested in the courts when they are conferred to the specialized tribunal. The prima facie proof of the registration and rebuttable presumption is only suggestive of the fact that where in a legally permissible remedy, there arises an occasion to test the validity, then merely furnishing of the certificate would not suffice if there exists an evidence to invalidate the registration to the contrary. In the case of the present nature, the remedy itself is not provided under Section 22 (1) and (2) as the registered proprietor on true and plain construction of the provision does not fit within the ambit of the any person, thus, there is no reason to draw any such inferences at the place where there lies no remedy.

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27. I have also observed in the order dated 30th March, 2012 while referring the question that the following decisions of this court take the view that the suit against the registered proprietor is not maintainable:

a) Tobu Enterprises Pvt. Ltd. Vs. Megha Enterprises, 1983 PTC 359.

b) Indo Asahi Glass Co. Ltd. Vs. Jai Mata Rolled Glass Ltd. & Anr.

1996(16) PTC 220 (Del.)

c) SS Products of India Vs. Star Plast, 2001 PTC 835 (Del)

d) Western Engineering Company Vs. America Lock Company, ILR 1973 Delhi 177
Additionally, the learned Single Judge of Madras High Court also took the similar view on the fair reading of the Section 22 of the Design Act in the case of Eagle Flask Industries Pvt. Ltd. Vs. Bon Jour International & Anr., 2011(48) PTC 327 (Mad.) without considering the aforementioned views of the learned single judges of this court.

On the contrary, the following views are taken by the learned Single Judges of this Court which are opposite to the aforementioned views:

a) Tobu Enterprises (P) Ltd Vs. M/s Joginder Metal Works and Anr., AIR 1985 Delhi 244.

b) Alert India Vs. Naveen Plastics, 1997 PTC (17).

c) M/s. Smithkline Beecham Plc & Ors. Vs. M/s Hindustan Lever Limited & Ors., 1999 PTC 775.

d) Smithkline Beecham Consumer Healthcare GMBH Vs. G.D. Rathore, 2002 (25) PTC 243 (Del.)

- e) Vikas Jain Vs. Aftab Ahmad and Ors., 2007(37) PTC 299(Del)
- f) Servewell Products Pvt. Ltd. & Anr. Vs Dolphin, 2010(43) PTC 507 (Del.)

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28. In view of my conclusion, that the suit for infringement of registered design by one registered proprietor is not maintainable against another registered proprietor of the Design, the judgments rendered in the case of Tobu v. Joginder Metal (supra), Alert (India), Smith Kline (supra), Vikas Jain (supra) and Servewell (supra) and all other judgments rendered by this court putting reliance upon the said views to the extent they take contrary view that suit for infringement of registered design is maintainable by one registered proprietor against another are not good law. The answer to the reference of question (1) is done in negative.

In end of the answer to the question No. 1, I would also like to address one more argument which has been raised by the counsel for the parties in order to support the view that this court should permit the suit by the one registered proprietor against another which is that the Design registrations are subjected to low level of the scrutiny before the Designs office and the said designs are granted quite easily by the Designs office. Therefore, this court's ruling that the suit for infringement would not be maintainable against the registered proprietor would affect the registered proprietors adversely as the Designs are actually and in reality tested in the court of law. Thus, this court should take the view that the suit for infringement is maintainable against the another registered proprietor. I have considered the said contention and find that the said argument does not preclude the court to interpret the law as it stands in the Act and also cannot permit the court to enlarge the scope of the provisions of the Act which is the domain of the legislature.

29. If in reality anything better could be done by the court in order to improvise the situation so that the designs certificates are not issued easily is CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.20 of 94 to request the legislature to amend the law relating to designs wherein the strict examination process and procedure may be prescribed so that only the designs which are novel and original should be granted the registration. This court can also request the controller of the Design to decide the cancellations of the Designs expeditiously so that the right to sue for infringement gets revived at the earliest. But what the court cannot do is to assume the powers under the Act which the plain and simple reading of the section under the Act does not permit. Therefore, the said argument of the learned counsel for the parties howsoever compassionate it seems to be cannot be acceded in view of the clear and plain language of the Act and scheme provided by the Designs Act.

Answers to Questions (2) and (3)

30. I find that the question No. 2 and 3 under the reference are connected to each other and the answer of the one would have the bearing on the answer of another. Therefore, I have taken two questions together and proceeded to answer the same.

31. Before beginning I would again say that the question under reference is not as to whether the definitions of two Acts both Trade Marks Act and Design Act provide for the shape of the Article as a subject matter of protection, indeed, they permit so and there is a kind of overlap. The key answer to the said question under reference is also not that solely because there is a reference of a kind of dual protection in the field of Design law and Trade Mark Law so far as shape of the articles are concerned in the authorities emanating from US and some in UK, the same should be followed as such in Indian law overlooking the avowed object and scheme of the Designs Act, 2000. For answering the said question Nos.2 and 3 under CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.21 of 94 the reference, there are some connected questions which are required to be answered which will enable this court to answer the reference. The said questions are; what is true nature of action which is based on passing off right and the Design right?; Whether the said action of passing off is available as remedy in the absence of any saving or preservation of the common law right under the Design Act?; Whether the objects and the legislative intent of Designs Act in India which are aimed at protection for limited period with no further extension permit any such extension of the monopoly rights in perpetuity by adopting the route of passing off thereby protecting the same very shape of article which was or is the subject matter of protection under Design Act? Whether the right available in the trade marks can be joined with the Design right which is mutually inconsistent with each other? I propose to answer the said very questions arising in the instant reference under the larger head of the question Nos. 2 and 3. Nature and characteristic of Design Right

32. As I have mentioned above that for the purposes of answering the question (2), one has to address several connected questions. First and foremost enquiry amongst the same is the true nature and characteristic of the Design Right. The Design right is a limited monopoly right conferred by a statute for an industrial article which has been used for commerce. The said right has been created by the framers of the law by enacting a separate enactment with a explicit intent that the articles containing the novel shapes and designs which are put into commerce but though also aesthetic in nature enjoy lesser monopoly than the ordinary Copyright. The Design right being purely an statutory right has its genesis in patents and is equated with a patent rights, however due to the aesthetic and ornamental features which CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.22 of 94 designable subject matter bears, the said right is called as Copyright in the Design. The said Design right is akin to patent right which has been seen below which becomes a basis to understand why the extension of monopoly over the designable subject matter is detrimental to the public policy and also against the underlying object of the Act.

33. The proposition that the Design right is purely a statutory right created by a parliament and was never protected under the common law is clear from the reading of the excerpts from the Narayanan on Copyright wherein in his Book titled as Law of Copyright and Industrial Designs, the learned author has observed about the nature of remedy of design in the following words:-

"27.03 Nature of protection to industrial designs - The protection given for an industrial design under the Designs Act is not copyright protection but a true monopoly based on statute. Designs as such were never protected by the common law which was basically concerned with the protection of literary copyright. The Designs Act, unlike the Copyright Act, gives monopoly protection in the strict sense of the

word rather than mere protection against copying as under the Copyright Act."
(Emphasis Supplied)

34. From the mere reading of the aforementioned excerpts from the Narayanan, it can be seen that the Design right is a right stemming from the true word of statute. The said right was never protected by the common law. The said Design right protection is right to exclude others just like in patent act rather than protection against the right to copy. This difference in the law conferring right to exclude others and the law protecting the right to CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.23 of 94 copy has to be necessarily understood in order to better discern the policy underlying the Design Act.

35. The Design Act is thus a privilege granted by a sovereign by way design registration upon the declaration of the novel and original shape to the design office by the proprietor for the limited period of maximum 15 years wherein the proprietor can exclude others from applying the design upon the article which forms the subject matter of registration. It is therefore the right which is equal to patent and unlike the trade mark and copyright which protects the consumer interests by preventing the copying. One of the consequences of the expiration of the Design right is that upon expiry, the shape of the article goes in to public domain so that the shape of the article may be used by others freely in order to further encourage the development in the field of shape and arts.

36. Laddie, Prescott & Vitoria on The Modern Law of Copyright and Designs, Fourth Edition, Vol-II, Lexis Nexis also provides for the legislative history of Designs Act in UK which also supports the same view that the monopoly conferred by Designs Act is purely statutory in nature which is akin to patents. In the words of Author, it has been observed thus:-

"51.4 A registered design is a statutory monopoly of up to 25 years duration, which is intended to give protection to the appearance, but not the function, of the whole or part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and / or materials of the product and/ or its ornamentation....."

"51.6 A proprietor of a registered design and certain licenses can bring proceedings for infringement against any third party who uses the design or any design which does not produce a different overall impression on the informed user. This applies to designs registered before the amendment of the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.24 of 94 RDA 1949 (Registered Designs Act) by the 2001 Regulations as well as to designs applied for is that the latter can be enforced against a third party who has not copied the proprietor's design. It is a true monopoly which is similar in many respects to a patent monopoly." (Emphasis Supplied)

37. The legislative history of Design Act in India also makes it abundantly clear that the Design Act has always been considered as a monopoly closer to the patent though the rights granted under the Design Act is called as "Copyright". However, the Designs Act was always the part of Patents Act earlier. The said design right is considered as privilege of the sovereign just like patents. The tests

for evaluating the novelty in patents as well as the designs are same. The legislative history of Indian Design law reads as under:

The first legislation in India for protection of Industrial Designs was The Patents & Designs Protection Act, 1872. It supplemented the 1859 Act passed by Governor General of India for granting exclusive privileges to inventors and added protection for Industrial Design. The 1872 Act included the term "any new and original pattern or design, or the application of such pattern or design to any substance or article of manufacture."

The Inventions & Designs Act of 1888 re-enacted the law relating to protection of inventions and designs and contained provision relating to Designs in a separate part.

The Patents & Designs Act enacted in 1911 also provided for protection of Industrial Designs.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.25 of 94 The Patents Act, 1970 repealed the provisions of the Patents and Designs Act, 1911, so far as they related to Patents. However, the provisions relating to Designs were not repealed and continued to govern the Designs Law.

India joined the WTO as a member State in 1995. Consequently, the Patents & Designs Act, 1911 was repealed and the Designs Act, 2000 was enacted, to make the Designs Law in India TRIPS compliant. The definition of "design" in the Designs Act, 2000 is more or less the same as that of the 1911 Act. Novelty under the 1911 Act was determined with reference to India, whereas under the Designs Act, 2000 novelty is determined on a global basis.

38. The legislative policy behind the Patent and Designs Act being statutory in nature is that by applying for a Patent and Design to the Patent Office and Designs Office respectively and disclosing the embodiment or shape of the article to the office, exclusive monopoly in the form of statutory rights of 15 years is conferred with the corresponding right to the public at large to freely use the said embodiment or the design after expiration of Patent and Design. That is why, the said monopoly rights are for a limited period of time and being statutory in nature can never be extended by placing reliance on common law.

39. In view of the aforementioned discussion so far made, it is clear that there are authorities on the Design law, both in India as well as in UK from where we have borrowed the Design law largely, provided that the Design right is statutory right and was never protected in the common law. The legislative history of the Design Act in India also supports the same view CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.26 of 94 that the Designs are always considered as part of the Patent Act as the underlying policy behind the two laws are the same which is limited rights to exclude and not to prevent right to copy.

Statement of Objects and Reasons of Designs Act and Purposive Construction of Design Act, 2000

40. Now I shall proceed to also evaluate the statement and objects and reasons of the Design Act, 2000 in order to understand the purpose and object behind the Design Act.

41. It is established rule of interpretation that the Statute is best understood if we know the reasons for it. The said rule is a rule of purposive construction of the Statute and whenever there is ambiguity in construing the provisions of Act, the object behind the Act enlightens the court to interpret the provisions of Act. This has been laid down in the case of Utkal Contractors & Joinery (P) Vs. State of Orissa reported as (1987) 3 SCC 279, wherein the Hon'ble Justice Chinnappa Reddy (as he then was) speaking for the Supreme Court Bench observed thus:

"A statute is best understood if we know the reason for it. The reason for a statute is the safest guide to its interpretation. The words of a statute take their colour from the reason for it. How do we discover the reason for a statute? There are external and internal aids. the external aids are statement of Objects and Reasons when the Bill is presented to parliament, the reports of committees which preceded the Bill and the reports of parliamentary Committees. Occasional excursions into the debates of Parliament are permitted. Internal aids are the preamble, the scheme and the provisions of the Act. Having discovered the reason for the statute and so having set the sail to the wind, the interpreter may proceed ahead..." [Emphasis Supplied]
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42. In Reserve Bank of India Vs. Peerless General Finance reported as (1987) 1 SCC 424, Hon'ble Justice Reddy again proceeded to take the same view of purpose construction by propounding the rule of contextual interpretation as under:-

"Interpretation must depend on the text and the context. They are the bases of interpretation. One may well say if the text is the texture, context is what gives the colour. Neither can be ignored. Both are important. That interpretation is best which makes the textual interpretation match the contextual. A statute is best interpreted when we know why it was enacted. With this knowledge, the statute must be read, first as a whole and then section by section, clause by clause, phrase by phrase and word by word. If a statute is looked at, in the context of its enactment, with the glasses of the statute maker, provided by such context, its scheme, the sections, clauses, phrases and words may take colour and appear different than when the statute is looked at without the glasses provided by the context. With these glasses we must look at the Act as a whole and discover what each section, each clause, each phrase and each word is meant and designed to say as to fit into the scheme of the entire Act. No part of a statute and no word of a statute can be construed in isolation. Statutes have to be construed so that every word has a place and everything is in its place. It is by looking at the definition as a whole in the setting of the entire Act and by reference to what preceded the enactment and the reasons for it that the Court construed the expression 'Prize Chit' in Srinivasa and we find no reason to depart

from the Court's construction." [Emphasis supplied]

43. From the reading of the above mentioned observations of the Apex Court, it is now a settled principle that that the statement of objects and reasons of the Act are true guide to construction of the provisions of the law. The said statement of objects and reasons can enlighten the court about the underlying purpose behind the enactment of law, state of the affairs existing CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.28 of 94 prior to the passing of the Act and also the mischief which was sought to be remedied by the passing of the Act.

44. The statement of objects and reasons of the Designs Act, 2000 clearly enunciates the legislative policy of the Design Act which is that the said rights are granted for limited period of time and cannot be unnecessarily extended so that public could use the shapes in the commerce freely. The statement of objects and reasons of the Designs Act, 2000 also supports the same view by reading as under:-

The Statement of Objects and Reasons of the Designs Act, 2000 reads as follows: -

"Since the enactment of the Designs Act, 1911 considerable progress has been made in the field of science and technology. The legal system of the protection of industrial designs requires to be made more efficient in order to ensure effective protection to registered designs. It is also required to promote design activity in order to promote the design element in an article of production. The proposed Designs Bill is essentially aimed to balance these interests. It is also intended to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity while removing impediments to the free use of available designs." (Emphasis Supplied)

45. The statement of objects and reasons of Designs Act, 2000 are clearly indicative of the legislative intendment while enacting the Design Act which was to create a right balancing the competing interests which are the interests of the proprietor to protect their designs of articles which are put into commerce vis-à-vis a public interest to use the available shapes in commerce for further develop and promote design element in the article of production. This aim was achieved by ensuring the rights are granted for commercial shapes are provided for limited period of time with no CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.29 of 94 unnecessary extension of time period. The said statement of objects and reasons are clearly voicing the legislative policy for not to extend the monopoly. The said object and purpose of the Designs Act is a clear indicator to the effect that the statutory monopoly contained in the design is akin to patent and cannot be protected under the common law.

46. The statement and objects and reasons of Design Act has also come up for consideration before this court from time to time as and when there is a kind of overlap which has been sought to be created by the right holder and the attempt has been made to extend the said limited monopoly right under the Designs Act by seeking a remedy under the Copyright statute. The statement of object has been firstly considered by learned Single Judge of this Court in the case of Microfibres Inc. Vs.

Girdhar & Co. & Anr., 128 (2006) DLT 238 while answering the question as to whether the monopoly rights granted under the Design Act for a limited period can be extended by switching over the rights to Copyright Act. By answering the question in negative and applying Section 15 which clearly debars the same, the learned Single Judge observed thus:

"In order to appreciate the object of introduction of the new Designs Act of 2000, various proceedings were referred to by learned counsel for the defendants. The Statement of Objects and Reasons of The Designs Bill, 1999 provided that the intent was to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity while removing impediments to the very use of available designs. The definition of 'design' has been amplified to incorporate therein the composition of line and colours so as to avoid overlapping with the Copyright Act regarding definition of 'design' in respect of 'artistic work'.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.30 of 94 The proceedings from the Parliamentary Debate on the Bill were also referred to show that the concerned Minister of State had observed that the Act was being amended to 'provide help and protecting the rights of designers'." (Emphasis Supplied) "Furthermore, the legislative intent is also to be kept in mind which is to provide protection for a certain period of time for commercial exploitation. Thus, nature of protection is quite different for an artistic work under the Copyright Act which is for the lifetime of the author/creator + 60 years. This is not so in the case of commercial exploitation as under the Designs Act and the Patent Act the period is much lesser. In the present case, the configuration was made only with the object of putting it to industrial/commercial use." (Emphasis Supplied)

47. In the Judgment of Microfibres (supra) of learned Single Judge, it has also been noticed that the monopoly period in copyright is higher and the monopoly period for Design Act and patent act is much lesser. The said observations of the learned Judge also acknowledge that Design is akin to patents.

48. The said judgment of Microfibers (supra) has been considered by the Division Bench of this Court in the case of Microfibers Inc. Vs. Girdhar & Co. & Anr. decided on 28th May, 2009 wherein Mukul Mudgal, J. after considering the statement of objects and reasons has held that the Designs Act confers a limited monopoly right for 15 years period for industrial articles and thereafter once the monopoly expires no copyright can subsist in the said design right and rights can never be extended. The Division Bench speaking through Mukul Mudgal, J. observed thus:

"The objects and reasons of the Designs Act clearly show that the legislature intended by virtue of Designs Act to promote design activity, competition and lessen the monopoly period.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.31 of 94 This is the finding in Microfibres Inc. vs. Girdhar & Co 2006 (32) PTC 157 in the following terms: - "the mischief which is sought to be prevented by reading Section 15 is not copying by the respondent, but the mischief which is intended to be prevented by Section 15 is that a right holder cannot switch over the monopoly right and indirect claim right over a designable subject matter." (Emphasis Supplied)

49. From the aforementioned observations of learned Single Judge and Division Bench putting reliance upon the avowed objects of the Design Act, 2000 and approving the legislative policy which is that limited monopoly rights under the Designs Act and free use after expiration is evocative of the policy which governs the Designs Act. The said legislative policy clearly speaks of the legislative intent and the mischief which was sought to be remedied by the Designs Act. The said mischief which has been prevented by enacting a Designs Act is unnecessary extension of the monopoly rights by the proprietors. Thus, the statement of the objects and reasons also support the same view that the Design right is the pure monopoly based on the strict word of the statute.

50. Even reading of provisions of Designs Act, 2000 would reveal that the design is inextricably connected to that of patents. The said limited rights have nexus with that of patents.

51. It is well settled principle of law that the scheme of the Statute has to be understood and the collective reading of the provisions of the Act. No provision of the Act should be read in isolation but the Act must be read holistically in order to discern the nature and characteristics of the provisions enacted in the Statute and then the enquiry proceeds as to whether the same are in consonance with the statement of objects and reasons behind the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.32 of 94 Statute or not and if the answer comes in affirmative, then the same shall come in the aid of interpretation of the provisions of the Act.

52. Let us now read the provisions of Designs Act in order to understand the nature and characteristics of the Designs Act :

"Section 2 (b) defines "Controller" means the Controller- General of Patents, Designs and Trade Marks referred to in Section 3"

"Section 2 (e) defines "High Court" shall have the same meaning as assigned to it in clause (i) of sub-section (I) of section 2 of the Patents Act, 1970"

"Section 2 (h) defines "Patent Office" means the patent office referred to in section 74 of the Patents Act, 1970"

"Section 3 (1) defines The Controller General of Patents, Designs and Trade Marks appointed under sub-section (1) of section 4 of the Trade and Merchandise Marks Act, 1958 shall be the Controller of Designs for the purposes of this Act."

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

„Section 20 defines A registered design shall have to all intents the like effect as against the Government as it has against any person and the provisions of Chapter XVII of the Patents Act, 1970 shall apply to registered designs as they apply to patents."

"Section 22 (3) defines that in any suit or any other proceeding for relief under subsection (2), ever ground on which the registration of a design may be cancelled under section 19 shall be available as a ground of defence."

"Section 23 defines the provisions of the Patents Act, 1970 with regard to certificates of the validity of a patent, and to the remedy in case of groundless threats of legal proceedings by a patentee shall apply in the case of registered designs in like manner as CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.33 of 94 they apply in the case of patents, with the substitution of references to the copyright in a design for reference to a patent, and of references to the proprietor of a design for references to patentee, and of references to the design for references to the invention."

Section 39 defines that Printed or written copies or extracts, purporting to be certified by Controller and sealed with the seal of the Patent Office, of documents in the Patent Office, and of or from registers and other books kept there, shall be admitted in evidence in al courts in India, and in all proceedings, Office without further proof for production of the originals:

Section 43 (1) defines that All applications and communications to the Controller under this Act may be signed by and all attendances upon the Controller may be made by or through a legal practitioner or by or through an agent whose name and address has been entered in the register of patent agents maintained under section 125 of the Patents Act, 1970. (2) The Controller may, if he sees fit, require -

- (a) any such agent to be resident in India;
- (b) any person not residing in India either to employ an argent residing in India;
- (c) the personal signature or presence of any applicant or other person.

Section 46 defines that notwithstanding anything contained in this Act, the Controller shall-

- (a) Not disclose any information relating to the registration of a design or any application relating to the registration of a design under this Act, which he considers prejudicial to the interest of the security of India; and (b) take any action regarding the cancellation of registration of such designs registered under this Act which the Central Government may, by notification in the Official Gazette, specify in the interest of the interest of the security of India."

53. On the collective reading of the aforementioned provisions of Designs Act, it is beyond the cavil of any doubt that the monopoly conferred by the Designs Act is although termed as copyright in design but the said monopoly is right in the limited period of time and is akin to patent and has trappings of patent. This is evident from the fact that Controller of Patents and Designs remains the same. The High Court is also the same which is High Court as defined in the Patents Act, 1970. The provisions of Patent Act, 1970 are applicable to the Designs Act as extended provisions. The Patent Agent is deemed to be the agent practicing before the Designs Office. The evidence certified by the Patents Office shall be admitted in the Court of law. The provisions relating to cancellation of design is similar to that of the patent. The tests relating to evaluation of novelty in Design is also the ones relating to Patents. The said composite scheme of Designs Act, 2000 clearly leads to a conclusion that the design monopoly though named differently as "copyright in design", but it has trappings of patent so far as the nature and characteristic of the right is concerned. The said conclusion by fair reading of Designs Act being akin to patent is once read with the avowed objective of Designs Act wherein one of the objects is that to confer a limited monopoly right which should not unnecessarily be extended makes it crystal-clear that after the expiration of design right, the treatment of the said monopoly conferred by the design right shall be the same as that of patents which is that after expiration of design right, the same shall go to the public domain as in the cases of patent and in case, the said monopoly is extended, the same shall be contrary to the objects and scheme of Designs Act.

54. The remedy of passing off is available as a protection against the commission of civil wrong or tortuous act which has been based on common law principle that the no man is entitled to represent his goods or business on the pretext that the said goods or business is of other person. Essentially, a passing off is an action in deceit. The said action is available in common law so that interests of the proprietors can be protected against the misrepresentation.

55. The ingredients as to maintainability of the action of passing off in common law are goodwill/reputation, misrepresentation and the consequential damage or likely damage to the goodwill arising out the misrepresentation. The said passing off remedy has been expressly preserved under Section 27 (2) of the Trade Marks Act, 1999.

56. The legislative intent behind preservation of the passing off remedy is that though the Trade Mark Act provides several kinds of protections by way registration of the trade marks. The rights in common law of the proprietors should remain unaffected. This is due to the reason that the registration of the trade marks is the statutory recognition of the rights pre-existing in common law. The nature of rights under the common law is right to prevent use. Thus, the basic reason behind preservation of the common law right was that the trade marks are conventionally protected under the principles of common law by way of use and the same has been followed from time to time. The said practice of protection has been preserved in the form of passing off action from where the trade mark rights had made their humble beginning.

57. The trade mark rights as they were understood conventionally included the word marks, labels, get ups, tickets etc. The problem has however arisen when the definition of the Trade mark has been expanded to include shape of the goods which is kind of unconventional trade mark. The said definition has been expanded in view of the amendments carried out by the Trade Mark Act, 1999. Going by the same, the shape of the product is also given a status of the trade mark. The said concept of protection of unconventional trade marks has brought in a question of overlapping of protection under the regime of Intellectual property laws and the limits to which such protection should be accorded to such rights.

58. It has thus become but obvious that upon inclusion of the shape of the goods under the definition of trade marks by way of amendments made in the year 1999 to the Trade Marks Act 1999, the said shape of the articles has started enjoying the protection at par with the ordinary trade mark. Therefore, going by the reading of Section 27 (2) of the Act, the passing off action shall also be available as a right in common law for protection of shape of the articles and there is no doubt about the same.

59. The said right of common law for protection of shape of the articles under the remedy of the passing off is to prevent from right to use or copy or misrepresent which is quite inconsistent with the Design right which is right to exclude others for a limited period of time.

60. In view of the above discussion, it is clear the passing off is a right to sue in common law to prevent misrepresentation is mutually inconsistent and distinct from the purely statutory monopolies which are in the form of privileges like patents and design which operate on the jurisprudence of conferment limited statutory rights. Therefore, what can be deduced from CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.37 of 94 the present discussion that the rights in common law undermines and disturb the basic thrust of the policy behind limited monopoly rights which is after the expiration of the period, the said shapes of articles or embodiments enjoying the monopoly shall go in public domain as the limited monopoly rights extinguish or lapse. Therefore, the said limited monopoly rights or privilege and common law rights jurisprudentially cannot co-exist as complementary to each other, however, by saying so, it does not mean that they cannot exist independent of each other.

61. It is noteworthy to mention that no one is disputing the existence of the passing off right qua the shape of the articles while answering the present reference. The question which has been referred is whether the Design right and the passing off right can be joined together or can co-exist when the same are not saved by the Design Act. It is thus essentially a question relating to conflict between two statutes which are Trade Marks Act and Designs Act which are operating on the basis of two different legislative policies which are militating against each other in which public interests are involved. Both Designs Act and Trade Marks Act have jurisprudentially different nature of rights which are statutory and common law respectively. Passing off right in cases involving the expired Design Right

62. Learned counsel appearing for the parties have advanced the arguments by taking the said question of co-existence of the passing off and Design right to another level by urging that the passing off right should be available to shape of the products in the cases where the Design rights have been expired. Therefore, I am proceeding to evaluate the said proposition as per the existing position in law.

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63. Now, given the avowed object of the Designs Act and the legislative policy behind the Act of 2000, the question arises whether the amendments made in the 1999 Act of Trade Marks which include the Shape of the goods under the definition of the mark as per Section 2(1) (m) change the position in the said policy and also whether the monopoly rights under the Design Act can be extended on the availability of the remedy of the passing off by way of amendments carried out under the Trade Mark Act which can lead to a protection of the same subject matter doubly. The answer to the said questions is in negative. This is due to the following reasons:

I. The amendments carried out in Trade Mark Act were done in the year 1999 though the Act were notified in the year 2003. The Design Act was drafted in the year 2000. The said Design Act was a later enactment of 2000. Still, the legislative policy and the object behind the passing the Act remains the same which is to grant the limited monopoly rights and not to extend the same so that the public could use the same freely.

It is well established principle of law that when there is inconsistency between two special laws operating in their respective fields, the conflict between the same has to be resolved by seeing objects behind the two special laws and interpretation must be devised so that both should operative and serve their relevant objects.

The said proposition was laid down in the case of Ashoka Marketing Limited and Anr. Vs. Punjab National Bank and Others (AIR 1991 SC 855) wherein the Supreme Court observed thus:

"In other words, both the enactments, namely, the Rent Control Act and the Public Premises Act, are special statutes CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.39 of 94 in relation to the matters dealt with therein. Since, the Public Premises Act is a special statute and not a general enactment the exception contained in the principle that a subsequent general law cannot derogate from an earlier special law cannot be invoked and in accordance with the principle that the later laws abrogate earlier contrary laws, the Public Premises Act must prevail over the Rent Control Act. The principle which emerges from these decisions is that in the case of inconsistency between the provisions of two enactments, both of which can be regarded as Special in nature, the conflict has to be resolved by reference to the purpose and policy underlying the two enactments and the clear intendment conveyed by the language of the relevant provisions therein. We propose to consider

this matter in the light of this principle" (Emphasis Supplied) Applying the said principle of law to the instant case, the legislative policy provided in the later enactment Design Act, 2000 was to confer the limited monopoly rights which should not be unnecessary extended so that public can freely use the said shapes and designs in the commerce. This object was kept in mind ever after making the amendments in the Trade Mark Act, 1999. Thus, the Design Act shall be continued to be guided by the same policy as contained in the statement of objects and reasons contained therein in the later Act. Accordingly, the legislative policy under the later enactment of 2000 cannot be abrogated when the legislature consciously devised the said policy even after making the amendments in the Trade Marks Act in the year 1999.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.40 of 94 II. Once the objects of the Design Act, 2000 provides that the monopoly rights are for limited period and the same should not be extended so that public can freely use the shape of the articles, the further extension of the rights under the guise of the passing off by calling it a dual monopoly would be against the policy and the purpose behind the Designs Act which is to make the shape of the articles in public domain for free use after expiration. It cannot be the case that on one hand the shape of the article is passed to public domain for free use by operation of law of Design Act and on the other hand, the same very shape is again taken away from the public and put into the bracket of the protection by granting monopoly rights in perpetuity by operation of another law which is a prior law and thereby in effect the public is debarred from using the said shape of the articles. The same cannot be legislative intent behind conferring the rights under the Trade Marks Act which would invariably be advantageous only to the particular class of the proprietors and which would also militate against the legislative policy of special law holding the field of Designs. III. The grant of the further monopoly rights under the guise of the passing off to the shape of the article even after the expiry of the Design would make the Design Act redundant or nugatory or otiose. This is due to the reason that proprietors who have already enjoyed the statutory right to exclude others which is equivalent to patents would be granted further monopoly rights which are inconsistent with the Design right provided under the Design Act by making their registration and the rights conferred as inconsequential.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.41 of 94 IV. The monopoly rights of the Design and Trade mark are mutually inconsistent with each other. This is due to the manner in which Trade Mark and Design rights operate, their nature, characteristic, policies behind the two laws and many other ways. The said differences can be enumerated as under:

a. Where as the remedy under the Trade Marks Act is statutory as well as equitable in nature as it saves common law remedy, the rights and remedies under the Design Act are purely statutory in nature based on the strict word of statute.

b. The rights under the Trade Mark Act are based on securing registration as well as rights exists in common law by way of prior user which may lead to distinctiveness of the mark in question in market. Unlike, the Trade Marks Act, the rights in Design Act are conferred only if the design is novel on the date of application as well as original. The said aspect of novelty is akin to law of patents which states that the invention must not be disclosed to public or pre published piece of art. Thus, whereas in Trade Marks Act prior user confers rights in common law; in Design Act is completely inconsistent in nature where prior user from the date of application destroys the rights as the same may lead pre publication in the eyes of the law. c. Trade Marks are Registered for the period of 10 years and are renewable thereafter for the further period of 10 years each time they are due for renewal. Thus, there is no limitation on the period of trade marks to remain in force. The same also holds good for trade marks rights exist in common law. The only CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.42 of 94 exception to the same is when the court declares that due to the long and extensive usage of the said mark, the said mark has become generic. On the other hand, the Design is registered for 10 years and further renewed for one more term of 5 years and in that way, the said right under the Design is for the limited period of time.

d. Passing off right is saved by Trade Marks Act and not saved by Design Act.

e. Validity of trade mark right cannot be seriously questioned by urging in defence in an infringement action under the Trade Marks Act (except on the limited grounds permitted by the Act and for the rest, there is a cancellation action under Section 57 which is available under the Act). On the other hand, every ground of cancellation under the Design Act is permissible to be urged as a defence to an infringement action by virtue of Section 22 (3) read with Section 19 of Designs Act. V. It is true that the definition of mark under Section 2 (1) (m) of the Trade Marks Act, 1999 provides shape of the goods as marks, however, it is equally to be looked into that Designs Act of 2000 under Section 2(d) while defining design expressly excludes the trademark within the meaning of Section 2(1) (v) of Trade and Merchandise Marks Act, 1958 which after the repeal shall be corresponding definition of Trade Marks Act 1999. All this would mean that there is an express exclusion under the Designs Act anything which is capable of being trademark.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.43 of 94 Therefore, a proprietor by electing to go for registering a design explicitly forecloses his right to claim the said article as a trademark which is evident from the definition of Design under Section 2(d) of Designs Act. In the case of M/s Ampro Food Products (Appellant) Vs. M/s Ashoka Biscuit Works and Ors (Respondents) AIR 1973 Andhra Pradesh page 17 which was passed in the old Designs Act containing similar exclusion, Hon'ble Justice Chinnappa Reddy (as he then was) held that design is different from a Trademark as by approaching the authority of Design Office a person has to declare that nothing contained therein is trademarkable. In the words of

Hon'ble Justice Chinnappa Reddy it was observed thus:-

"4. The respondent, it seems has applied for the registration of a trademark and Mr. Babulal Reddy, learned Counsel for the respondent submitted that the application will be granted as a matter of course. Assuming so, I do not see how that will entitle the respondent to commit an act of piracy in regard to the appellant's registered design. It should be remembered that a trademark is different from a design. A design is necessarily part and parcel of the article manufactured while a trademark is not necessarily so. In fact, the definition of "design" in Section 2(5) of the Designs Act expressly states that it does not include any trade mark as defined in Section 2(1)(v) of the Trade and Merchandise Marks Act, 1958. That is why the certificate of registration of the design contains a note which recites "The novelty in the design resides in the ornamental source pattern which appears only on the side of the biscuit as illustrated. No claim is made by virtue of this registration to any right to the use as a trademark of what is shown in the representations or to the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.44 of 94 exclusive use of the letters appearing in the design." This note does not give any right to the respondent or other biscuit manufacturer to commit an act of piracy of the design as defined in the Designs Act under the guise of using it as a trade mark. The respondent or other biscuit manufacturer may perhaps use the design as a trade mark on a wrapper or a label or otherwise but not so as to make it part and parcel of the biscuit in which case he could be committing an act of piracy of the design as defined in the Designs Act." [Emphasis laid]

64. By reading the judgment, it can be argued that the said judgment of Ampro (supra) was passed under the old Designs Act and the Trade Marks Act has been amended in the year 1999 and repealed by the Old Act of 1958 and therefore this view should not be accepted but the fact of the matter is that the Designs Act has also been amended in the year 2000 which is a later enactment than that of the Trade Marks Act. Still, the said express exclusion is preserved and retained. The legislature was conscious of the impact of 1999 Act where the shape of mark was included in the definition of "mark", but still the exclusion of trademark from the definition of design is not taken away. All this would mean that still the position in law remains the same which is that the design is mutually inconsistent right with that of the trademark right which has been provided by excluding trade mark from purview of the design and the said right on the same subject matter cannot co-exist together with the inconsistent Design right and the only option which remains for the preservation is that the proprietor has to elect either of them to claim monopoly rights by taking consistent approach.

65. This view is consistent with the legislative policy behind the Patent and Design law in India which is that after expiry of Patent and Design CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.45 of 94 which are limited monopoly rights, the said articles and embodiments go in public domain. Public domain includes the right to freely copy. This kind of concept of right to free copy after the expiry of limited monopoly rights is consistent with the object behind the patent and design rights which is that the said novel embodiments and designs may be worked upon by the public or the competitors in field in order to further arrive at innovative designs in the near future.

66. The said lapsed Design and Patent articles in the public domain cannot be taken away by way of passing off right as an additional one in order to extend the monopoly rights at the whims and fancies of the proprietor. It is true that the Trademark Act amends the definition of Mark which also includes shape of article. However, the construction between the two Acts should be devised in such a manner so that both the Acts should work in their own fields respectively, which is the rule of harmonious construction. If the passing off right is allowed to subsist irrespective of where the design is registered or expired would mean that Design Act is rendered otiose/redundant/nugatory.

67. This is due to the reason that any person/ proprietor under the common law would be in much more advantageous position even after enjoying the Design right than the registered proprietor of the design. Such anomalous situation cannot exist where the law which is for the time being in force is rendered completely obsolete and a closed book. Though the passing off right exists in the trademark statute, however, the same cannot be pressed into service when the proprietor opts to go for design right which by virtue of the very definition of design excludes the trademark.

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68. Several case laws have been relied upon at the bar including the cases where the courts in UK and USA have accorded dual protection; both in Design Act as well as in Trade Marks Act. One has to really go into more depth in order to understand and comprehend why such judgments are passed by the courts of the respective jurisdictions. In UK, the policy behind protection of design has undergone a significant change after much lobbying created by the proprietors which persuaded the British Parliament to pass legislations like Unregistered Designs Act where the designs are even protected in common law. Further, the Design Law in UK has been amended number of times and each time there is a shift in the legislative intent which has gone forward towards the protection and extension of the monopoly one way or other. Initially, the judgments passed by the UK courts took the consistent view which was also in consonance with their legislative policy as it then existed in UK which is also present in India under the current scenario which was not to extend the monopoly rights under the Design Act.

The Decision of House of Lords in the case of *Re Coca-Cola Co. s Application*, [1986] 2 All ER 274 the House of Lords speaking through lord Tempelman observed that an attempt to register the shape of the Coca-Cola bottle was "another attempt to expand on the boundaries of intellectual property and to convert a protective law into a source of monopoly." The said view was also taken in the further decisions of UK. However, the amendments carried out in the Designs Act of UK from time to time and change the legislative policy also had an impact on the decisions of the Court. All this is evident from the legislative history behind the Designs Act as it was amended from time to time in England.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.47 of 94 AMENDMENTS MADE IN THE COPYRIGHT AND DESIGN LAW IN UK CONSEQUENTIAL EFFECT UPON CHANGE IN POLICIES IN LAWS FROM TIME TO TIME

69. It is noteworthy to mention that although the provisions of Designs Act in UK seem akin to the Indian Designs Act, 2000, however, the underlying policy and object of the design law in UK underwent a significant change for the last more than 50 - 60 years which has made the design law capable enough in UK to accommodate the proprietors of every level and also accorded the protection in common law in addition to statutory rights of registration.

70. The legislative history and the change in policy coupled with European Community Directives which were passed would itself narrate how the registered design law as it exists in UK is different in policy and object than that of Indian Designs Act, 2000. the changes made in the design law in UK can be sub categorized under the three heads which will enable a person to understand the changes in the policy made in UK that started as a fine distinction between the two monopoly rights that Designs Act and Copyright Act are completely distinct from each other and thereafter the link was established between the Registered Design and common law in order to undermine the characteristic of statutory nature of Design right. The effect of this policy change is that the shape of industrial commercial articles which were earlier aimed at giving a limited monopoly of 15 years due to its putting into commerce was extended either by giving a full copyright protection of 60 years in certain cases or in the alternative protected under the law of passing off by calling it as trade mark or trade dress. Such was never the original intent of the framers of the design law CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.48 of 94 but still due to peculiar circumstances existing in UK and in European countries, the said policy change was adopted and implemented in the national legislations. The said three heads by which one can discern the change and evolution of policy of dual protection in UK Design Law can be enumerated as under:-

Law prior to the year 1989- Prior to 1989, the copyright law in UK was governed by 1911 Act and thereafter the Copyright Act of 1956. Both the Acts provided that the copyright rights and the design rights are totally distinct in nature. The articles which are registrable under the Designs Act are given a limited monopoly rights and as such cannot be given copyright protection (Kindly see Section 10 of UK Copyright Act of 1956 and also see Section 22 of UK Copyright Act of 1911). The design law in UK was governed by the Registered Designs Act, 1949 which also confers a statutory monopoly upon the articles having novel shape and configuration. At that point of time when there was a clear legislative policy that Designs Act was passed with the aim to confer the limited monopoly rights to the proprietor and the same is distinct from that of copyright and it can never be extended. The judicial view which was prevalent at that point of time also supported the same conclusion.

In the case of Coca-Cola Co s, [1986] 2 All ER 274. It was observed by Lord Templeman, thus:-

It is not sufficient for the Coca-Cola bottle to be distinctive. The Coca-Cola Co. must succeed in the startling proposition that the bottle is a trademark. If so, then any other container or any article of a distinctive shape is capable of being a trade mark. This raises the spectre of a total and perpetual monopoly in CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.49 of 94 containers and articles achieved by means of

the 1939 Act. Once the container or article has become associated with the manufacturer and distinctiveness has been established, with or without the help of the monopolies created by the Patent Act, the Registered Designs Act or the Copyright Act, the perpetual trademark monopoly in the container or article can be achieved. In my opinion the 1938 Act was not intended to confer on the manufacturer of a container or on the manufacture of an article a statutory monopoly on the ground that the manufacturer has in the eyes of the public established a connection between the shape of the container or article and the manufacturer. A rival manufacturer must be free to sell any container or article or similar shape provided the container or article is labeled or packaged in a manner which avoids confusion as to the origin of the goods in the container or the origin of the article." (Emphasis Supplied) Likewise, in the case of *Catnic Components Ltd v Hill & Smith & Co* [1978] FSR 405, Chancery Division of United Kingdom was concerned with the question whether by claiming a corresponding patent protection in the embodiment and disclosing the industrial drawing before the Patent Office, Can monopoly rights in the drawings be claimed under the Copyright in order to prevent the manufacture of industrial article basing upon the said drawing? Answer to this question is in negative. Whitford J. took the view that on the expiry of Patent there must be an implied licence covering any use of patent drawings and all other drawings on which the articles were based. In his popular speech which is often quoted by the courts of law in UK and in India, it was observed thus:-

"In my view, by applying for a patent and accepting the statutory obligation to describe and if necessary illustrate embodiments of his invention, a patentee necessarily makes an election accepting that, in return for a potential monopoly, upon publication, the material disclosed by him in the [patent] specification must be CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.50 of 94 deemed open to be used by the public, subject only to such monopoly rights as he may acquire on his application for the patent and during the period for which his monopoly remains in force, whatever be the reason for the determination of the monopoly rights. If this be correct... upon publication the plaintiffs must be deemed to have abandoned their copyright in drawings the equivalent of the patent drawings" (Emphasis Supplied) From the above, it is clear that the underlying policy prior to 1988 and 1989 prevalent in UK was to prevent extension of monopoly rights; be it copyright vis-à-vis design; designs vis-à-vis trade marks or in the alternative patent vis-à-vis copyright. There were contrary views which were taken in between by the courts below, however, the most popular ones which are often cited in India by the Superior Courts of England and denotes correct exposition of law has been discussed above.

Law after the year 1989- In the year 1988, the copyright and design laws in UK were amended which have brought change in the policy underlying the design law. In the book titled as Laddie, Prescott & Vitoria on The Modern Law of Copyright and Designs, Fourth Edition, Vol-II, Lexis Nexis, the learned Author has noted the changes which were brought by 1988 amendments in the following words:- "43.5

This whole area of law was the subject of fundamental reform in 1988. The major features of the changes are as follows:-

(1) registered design legislation was amended, in particular to make registration more attractive by extending the life of the monopoly to a maximum of 25 years;

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.51 of 94 (2) a new right was created to give some protection to those who designed novel articles, even if they were functional. This is called „design right .

(3) the law of copyright was modified, inter alia, to remove industrial designs from its ambit; and (4) transitional provisions were put in place in respect of copyright which reduced the protection for industrial designs and abolished conversion damages." [Emphasis supplied]

71. From the reading of above, the position as it then existed in 1988 clarified the intentions of framers of law and policy which was to extend the monopoly rights in the commerce and industrially exploited articles in one way or the other. The life time of monopoly of design was extended and new right was created which is called design right which was actually an unregistered design right in order to undermine the statutory nature of the registered designs right. The unregistered design right conferred monopoly even to the shapes of functional articles for the period of 25 years. However, changes made in the year 1988 were just miniscule in nature as the policy governing even at that point of time was that though the design rights were extended monopoly of 25 years and additional design right was created but the intention was always to keep the design right and copyright distinct from each other.

Learned Author in his Book Laddie, Prescott & Vitoria on The Modern Law of Copyright and Designs, Fourth Edition, Vol-II, Lexis Nexis summarizes the said changes brought by Copyright, Design and Patent Acts of 1988 in the following manner:-

"43.31... The CDPA 1988 thus served the link between protection by means of copyright and by registered design and CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.52 of 94 instead created a link between protection by unregistered design right and/ or by copyright."

From the reading of aforementioned observations, it is clear that the legislative changes were brought in the copyright regime wherein there was another right called Design Right which was created and the link between the copyright and unregistered design right was established which created room in the law for protection of design irrespective of their registration even in common law. (Emphasis Supplied) With the enactment of Copyright, Design and Patent Act of 1988 in UK, some transitional provisions were inserted in the said Copyright Act which also affected the enforcement of copyright in the registrable designs. The said transitional provisions were enacted in the form of Section 52 and 53 of CDPA of 1988. The said sections are reproduced below:-

52. Effect of exploitation of design derived from artistic work.

(1) This section applies where an artistic work has been exploited, by or with the licence of the copyright owner, by--

(a) making by an industrial process articles falling to be treated for the purposes of this Part as copies of the work, and

(b) marketing such articles, in the United Kingdom or elsewhere. (2) After the end of the period of 25 years from the end of the calendar year in which such articles are first marketed, the work may be copied by making articles of any description, or doing anything for the purpose of making articles of any description, and anything may be done in relation to articles so made, without infringing copyright in the work.

(3) Where only part of an artistic work is exploited as mentioned in subsection (1), subsection (2) applies only in relation to that part.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.53 of 94 (4) The Secretary of State may by order make provision--

(a) as to the circumstances in which an article, or any description of article, is to be regarded for the purposes of this section as made by an industrial process;

(b) excluding from the operation of this section such articles of a primarily literary or artistic character as he thinks fit. (5) An order shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(6) In this section--

(a) references to articles do not include films; and

(b) references to the marketing of an article are to its being sold or let for hire or offered or exposed for sale or hire.

53. Things done in reliance on registration of design.

(1) The copyright in an artistic work is not infringed by anything done--

(a) in pursuance of an assignment or licence made or granted by a person registered under the Registered Designs Act 1949 as the proprietor of a corresponding design, and

(b) in good faith in reliance on the registration and without notice of any proceedings for the cancellation [or invalidation] of the registration or for rectifying the relevant entry in the register of

designs;

and this is so notwithstanding that the person registered as the proprietor was not the proprietor of the design for the purposes of the 1949 Act.

(2) In subsection (1) a "corresponding design", in relation to an artistic work, means a design within the meaning of the 1949 Act which if applied to an article would produce something which would be treated for the purposes of this Part as a copy of the artistic work. The overall object of these transitional provisions were that the two policies; one existing prior to 1988 and the one subsequent thereto CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.54 of 94 should apply to the designs which were existing earlier in the law and the new designs should continue to enjoy the limited kind of dual protection in the form of unregistered design right. The unregistered Designs which are derived from artistic copyright were given 25 years monopoly from the date of first marketing as an extended protection in common law. The said change was brought by the amendments with the aim that this will preserve the fine distinction between Design right and copyright. It is however highly doubtful whether the said actions and amendments brought by UK parliament really preserve such distinction or obliterates the same and establish a nexus between the Design right and common law right. Suffice it to say, that the said changes were made in UK law by giving such reasoning. The said object which was sought to be achieved by transitional provisions in CDPA 1988 has been explained very succinctly by the learned Author in his Book titled Laddie, Prescott & Vitoria on The Modern Law of Copyright and Designs, Fourth Edition, Vol-II, Lexis Nexis. The relevant paragraph is reproduced below:-

"43.52. As we have seen, an attempt was made under s 10 of the 1956 Act to restrict copyright protection for registrable designs to the same term of the design monopoly which would have existed had a registration been sought and obtained. Under the CDPA 1988, the same overall objective is sought to be achieved by s 52, although the form of the section is very different to its predecessor. The transitional provisions try to fuse these two regimes together. The copyright limiting provisions of s 52 of the 1988 Act apply to pre-August 1989 artistic works but the extent to which that section curtails copyright protection is determined by s 10 of the 1956 Act as follows: where s 10 applied to an artistic work at any time before 1 August 1989, s 52(2) now applies but the period of 25 years provided for by the latter is CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.55 of 94 replaced by a period of 15 years as defined under s 10 (3) of the 1956 Act. The general principle is that industrial exploitation plus sales prior to 1 August 1989 diminishes the period of protection and it is immaterial where the articles were manufactured. The effect of this transitional provision is nearly spent. To bring it into play and to start the clock running, the industrial exploitation and sales must have commenced before 1 August 1989; if they commenced later, s 52 applies without modification, 15 years from 31 July 1989 takes one to 30 July 2004 and any unauthorized sales by a third party must have taken place before that date to be infringing sales. The limitation period prevents such sales being actionable from 30 July 2010."

In view of the above, it is clear that the legislative policies as framed in UK underwent a sea change with the passage of time and the said policies attempted to respect the fundamental difference between the copyright law and design law but at the same time also accommodated the interest of the proprietor by creating new kinds of rights which extended the monopoly rights which were earlier not existed in their law prior to 1988.

Thereafter, the judicial opinion on the subject also responded in consonance with the policy changes made in the national legislation of UK and therefore the judgments which were rendered for the period namely 1988 till 2000 onwards reflected legal position as it was existed in UK as per the change made in the law and public policy governing the field. Law after the year 2001- The year 2001 has its own significance as a year which has changed the shape of design law as existed in UK and European Countries. There was a major policy change wherein it was not considered undesirable that one activity should be covered by two or more overlapping IP rights. In the year 2001, the European CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.56 of 94 Community had introduced a Directive No. 98/71/EC which virtually merged the design right into copyright right and extended the limited monopoly right of design right for 15 years to a full term of copyright of 60 years. The said European Directive mandated all the European countries including UK to change their domestic laws in consonance with the European community directives. The said policy change has been explained by the Author in his Book titled as Laddie, Prescott & Vitoria on The Modern Law of Copyright and Designs, Fourth Edition, Vol-II, Lexis Nexis wherein he has proceeded to state that the applicability of the said directive is an acceptance of the principle of dual protection in UK and in European region. The said observation of the author reads as under:-

43.53. In Chapters 51-60 we discuss how our domestic law of registered designs has been significantly altered by the implementation of Directive 98/71/EC. The purpose of the Directive is to harmonize to a large extent the substantive, but not the procedural, laws of registered designs throughout the Community.

However, it also contains within it a provision which has an impact on the issues we have been discussing in this chapter. One of the principles underlying the Directive (and the Community Designs Regulation which introduced Community registered and unregistered designs) is that of „cumulation . That is to say the piling of one intellectual property right on top of another. It is not considered undesirable that one activity should be covered by two or more overlapping intellectual property rights. More than that, the Directive prohibits, at least in some respects, attempts under national law to prevent such overlap. This is achieved by art 17 which provides:-

"Relationship to Copyright A Design protected by a Design right registered in or in respect of Member State in accordance with this Directive shall also be eligible CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.57 of 94 for protection under the law of the copyright of that state as from the date on which the design was created or fixed in any form. The extent to which, the conditions under which, such a protection is conferred, including the level of originality required shall be determined by each Member State"

Notwithstanding its broad wording, this is not attempting to create an entirely new type of copyright. What it is directed to is preventing national laws from prohibiting overlap between copyright and registered design rights. If, therefore, our domestic law had a provision which said „any design which is protected by a registered design cannot qualify for copyright protection as well , the Directive would override it. The design would be entitled to both forms of protection as if the domestic provision did not exist. We do not have any such provision. However, before we discuss the impact of art 17 on our UK domestic law, we need to consider it further." (Emphasis Supplied)

72. From the reading of the above observations of the author, it is apparent that the policy changes brought in the year 2001 in EU which has been followed by UK further unequivocally accepts the policy of extension of monopoly rights in the design law into a full term of copyright. The said policy also indicates the view that dual protection can be accommodated in European region. UK accepted the said policy changes in the form of Registered Design Regulations 2001 which came into force on 9 th December, 2001. At the same time, it has been again re-emphasized by the author that the said directive though broadly worded has not created new rights but has just harmonized the two laws. By giving such reasoning of harmonization, the dual protection policy has been introduced which has also been acknowledged by the learned author in Modern law of Copyright (supra) where it is not considered undesirable to have protection of the design right in both forms.

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73. The consequence of allowance of dual protection policy in domestic legislation of Design Act further persuaded the courts in England not to prevent the dual protection when it comes to registered design rights and protection in common law. Therefore, whenever there a passing off claim in the shape of an article was asserted in UK or in European region, the policy underlying the dual protection having been accepted nowhere precluded the court to express the concerns for public domain as the courts in England were mandated to follow the law as it exists in the Statute Book.

74. Simultaneously, the Trade Marks Act of 1994 in UK was passed to include new changes including the shape of the goods which was added within the definition of a trademark. When such was the position in law wherein the Trademark Act included the shape of goods in the year 1994 in UK and there was an European directive in the year 2001 which was accepted in UK introducing the dual protection policy, it is more than obvious that the courts when would be faced with the actions premised on passing off of goods basing upon the shape of article in UK would not feel hesitant in entertaining the same and accepting the dual protection when legislative intent in UK does not make it undesirable to prevent the dual protection.

75. In sharp contradistinction to the same, there are no such policy changes which are brought in India in relation to Design law and the statement of object of Design Act, 2000 clearly provides that the sanctity of industrial design being a statutory monopoly is still preserved in Indian context and the overlapping of monopoly rights and dual protection of the Designable subject matter under the common law would contravene the object clause of Designs Act. There is no legislative policy which

has been CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.59 of 94 brought in India to accept such dual protection. Therefore, it is not safe to assume that the judgments passed in UK can be applicable with equal strength in India due to policy differences as the objects and reasons of Designs Act of 2000 is inconsistent with the policy as it is existing today in UK. Therefore, the said judgments are clearly distinguishable and are inapplicable in the Indian context.

Evolution of Design Law in US and recognition of Dual protection lateron

76. Just like in UK, the law relating to Intellectual Property right regime began with the fine distinction of rights delimiting their bounds and eventually the policy change in US also enabled the courts to accommodate the interest of proprietors in the form of acceptance of dual protection and thereby reducing the space for public domain, USA is equally no exception to such acceptance of the said change in the policy. In a landmark case titled as "The Trade Mark Cases" cited as 100 US 82(1879) decided in 1879, the Supreme Court of United States had evolved an important distinction between the Copyright, Patent rights and Trademark rights and the Supreme Court proceeded to observe that there lies a distinction between all these rights and the trademark has no necessary relation with the invention and discovery. In the words of Supreme Court it was observed thus:-

"The ordinary trade-mark has no necessary action to invention or discovery. The trademark recognized by the common law is generally the growth of a considerable period of use, rather than a sudden invention. It is often the result of accident rather than design, and when under the act of Congress it is sought to establish it by registration, neither originality, invention, discovery, science, nor art is in any way essential to the right conferred by the act. If we should CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.60 of 94 endeavor to classify it under the head of writings of authors, the objections are equally strong. In this, as in regard to inventions, originality is required. And while the word writings may be liberally construed, as it has been, to include original designs for engravings, prints & c., it is only such as are original, and are founded in the creative powers of the mind. The writings which are to be protected are the fruits of intellectual labor, embodied in the form of books, prints, engravings and the like. The trademark may be, in generally is, the adoption of something already in existence as the distinctive symbol of the party using it. At common law the exclusive right to it grows out of its use, and not its mere adoption. By the act of Congress this exclusive right attaches upon registration. But in neither case does it depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation. We look in vain in the statute for any other qualification or condition. If the symbol, however plain, simple, old, or well known has been first appropriated by the claimant as his distinctive trademark, he may be registration secure the right to its exclusive use. While such legislation may be a judicious aid to the common law on the subjects of trademarks, and may be within the competency of legislatures whose general powers embrace that class of subjects, we are unable to see any such power in the constitutional provision concerning authors and inventors, and their writings and discoveries." (Emphasis Supplied)

77. A few years later in 1896, the Supreme Court of US in the case of Singer Manufacturing Company Vs. June Manufacturing Co., 163 U.S. 169 (1896) refused to prevent copying of another sewing machine design after the expiration of design patent stated that the public domain right in implicit after expiry of the patent. In the words of Supreme Court, it was observed thus:-

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.61 of 94 "It is self evident that on the expiration of a patent the monopoly created by it ceases to exist and the right to make the thing formerly covered by the patent becomes public property. It is upon this condition that the patent is granted. It follows as a matter of course that at the termination of the patent, there passes to the public right to make the machine in the form in which it was constructed during the patent. We may therefore dismiss without further comment the complaint, as to the form in which the defendant made his machines." (Emphasis Supplied)

78. In US, The protection relating to shape of an article stemmed from two regimes which are patent and copyright. The shape of an article was always made protectable in both regimes. The courts in USA initially took the view that both these rights are alternative/exclusive to each other and therefore one necessarily had to elect between these two inconsistent rights which preserved the sanctity of fine distinction of rights and also created a room for public domain. The said view of applicability of law of election between the two rights was taken in the case of *Blood* 23 Federal 2d 772 wherein the court held that while the subject matter might be eligible for protection either in copyright or in design patent and obtaining of protection under one constitutes an election of protection and there is an estoppel to seek the other.

79. The *Blood* case was followed by *Jones Bros. Co. v J.W. Underkoffler et al.* (D.C. 16 F. Supp.729) (31 USPO 197) and *Taylor Instrument Cos. V. Fawley-Brost Co.* (7 Cir. 139 F.2d 98) (59 USPO 384) *Mazer v. Stein* (374 U.S. 201) (74. S.Ct. 460.98 L.Ed.630), which held that the owner could not have protection under both Copyright and Design Patents Acts.

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80. Similar view accepting the applicability of election was taken by US court in the case of *Jones Bros* (supra) which extends the applicability of doctrine of election. Thereafter, all these decisions were analyzed by the US Court of Customs and Patents Appeals in the case of application of *Richard Q. Yardley* 493 Federal 2d 1389. The court in the case analyzed two questions which are reproduced hereinafter:-

"Is there an area of overlap wherein a certain type of subject matter is both „statutory subject matter under the copyright statute (meaning a type of subject matter which, by definition, may be copyrighted if the other statutory conditions and requirements are met) and „statutory subject matter under the design patent statute (meaning a type of subject matter which, by definition, may be patented as a design if the other

statutory conditions and requirements are met)?"

"If the answer to question (1) is in the affirmative, and if a particular creation is of that type of subject matter which is within the area of overlap, may the „author inventor secure both a copyright and a design patent?"

81. Answering the questions in affirmative, the US court proceeded to observe that the intention of Congress is revealed from the reading of two sections from copyright statute as well as from patent statute and there is no provision preventing any such kind of overlapping. Therefore, the intention is clearly to permit such overlapping. In the words of US court it was observed thus:

"Under the power granted to the Congress in Art. I, § 8, cl. 8 of the Constitution, the Congress has enacted the copyright statute as Title 17, United States Code, and the patent statute as Title 35, United States Code.

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In the two statutes, the Congress has

created an area of overlap with regard to at least one type of subject matter. Thus, the Congress has provided that subject matter of the type involved in the instant appeal is „statutory subject matter under the copyright Statute and *1394 „statutory subject matter under the design patent statute. The statutory language clearly shows the intent of Congress."

82. Thereafter the court reproduced the Sections of Patent Act and the copyright Statute in US. The said sections are reproduced below:-

"The copyright statute, 17 U.S.C. § 5, states:

§ 5. Classification of works for registration The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

(g) Works of art; models or designs for works of art. The design patent statute, 35 U.S.C. § 171, states:

§ 171. Patents for designs Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title." (Emphasis added) Thereafter, the court proceeded to observe as under:-

"We believe that the „election of protection doctrine is in direct conflict with the clear intent of Congress manifested in the two statutory provisions quoted above. The Congress has provided that subject matter of the type involved in this appeal is

„statutory subject matter under the copyright statute and is „statutory subject matter under the design patent statute, but the Congress has not CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.64 of 94 provided that an author-inventor must elect between securing a copyright or securing a design patent. Therefore, we conclude that it would be contrary to the intent of Congress to hold that an author-inventor must elect between the two available modes of securing exclusive rights."

83. Thereafter the said intention of Congress was extended by the court permitting the area of overlapping and dual protection which infused the acceptance of policy change relating to dual protection in law and the court answered that the election principle is not applicable. If one considers the position uptill *Yardley* (supra) in 1974, it is clear that even earlier in a given circumstances, the courts accepted the principle of election of rights and thereafter repelled the same on the grounds of intention of Congress/Parliament which as per the courts in US was always to confer dual protection. The said intention of Congress in the case of *Yardley* (supra) discovered from the reading of the section and no discussions on the objects of the both the laws, policies underlying the laws. No analysis was made by the courts in USA as to where such overlapping would extend the monopoly rights. The courts in USA simply proceeded to observe that there is an overlapping and statute permits the said overlapping.

84. In sharp contradistinction to the same, the policy governing the copyright vis-à-vis design overlap is very clear in India which is governed by the provisions of Section 15 of Copyright Act which prohibits such overlapping. The judgment in the case of *Microfibres* (supra) passed by Division Bench of Delhi High Court clearly analyzes the legislative intent which is based upon the statement of objects of Designs Act to confer the limited monopoly right so that it should not be extended which makes the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.65 of 94 legislative intent of Indian parliament very clear and unambiguous which is that it is protective regime conferring limited rights with a balancing act of preserving public domain. The said intention was missing in the case of *Yardley* in USA.

85. In India, the statutory provisions relating to Section 15 of the Copyright Act, 1957 clearly speak to the contrary from the Statute of USA and the reasoning given by the US court in *Yardley* (supra).

86. Let's now proceed further from *Yardley* (supra) by acceptance of the said overlap regime and extension of monopoly rights, the courts in US never looked back and proceeded to protect the interest of right holders of design either by putting in the bracket of design or in copyright or in trademark and extending the monopoly in relation to the shape of the articles to the perpetuity which has hampered the underlying limits and bounds to which the protection of law extends and undermines the principle of public domain which started from *Singer Co.* (supra) in 1896. The Courts in US granted the trade dress rights even after expiration of patents and designs.

87. One such case was the case decided in the case of *Moregen David Wine Corpn*, 328 F.2d 925. The said decision came up before the appellate court which is United States Court of Customs and Patent Appeals has taken the diametrically opposite view from that of *Singer Co.*(supra) which is by

observing that the patent expiration is nothing more than cessation of patent right to exclude held under the patent law conversely. The trademark conceivably could end through non use during the life of patent. The said view taken in *Moregen David* (supra) ignores the underlying policy behind the patent law which is that by declaring the embodiment and design to Patent Office, a proprietor enjoys monopoly right for a limited period of CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.66 of 94 time and upon expiration of the said right, the same is freely available to the public.

88. Such a trend continued in *Honeywell Inc.* 497 F2d 1344 (CCPA 1974) where again the court has held that :-

"Federal design patent laws were created to encourage the invention of ornamental designs. Federal trademark laws, which are independent in origin from the design patent laws, seek to prevent the public from encountering confusion, mistake, and deception in the purchase of goods and services and to protect the integrity of the trademark owner's product identity. With that distinction in mind, this court decided that the public interest - protection from confusion, mistake, and deception in the purchase of goods and services - must prevail over any alleged extension of design patent rights, when a trademark is non-functional and does in fact serve as a means to distinguish the goods of the trademark owner from those of others."

89. From the bare reading of above, it is clear that the court in US in the case of *Honeywell* (supra) has taken the ground of protection of public interest from confusion in order to accord protection of rights after the expiration of patent. The court has also devised the distinction between functional and non functional articles which is artificial in nature and is purely a doctrinal one in order to arrive at the conclusion that what is protected in the trademark law under the guise of passing off is non functional articles. If the same is compared with the scheme of Indian Design Act, then the functional aspect is clearly excluded from the definition of Design under Section 2(d) of the Indian Designs Act, 2000. Therefore, what is designable in India is trademark protected in US.

90. Going by that analogy, it is inconceivable to carve out such artificial distinction of functional article in Indian context. So far as the public CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.67 of 94 interests are concerned, there are two public interests which are competing and militating against each other in the case of present nature involving dual protection, One is the public interest of right to freely use the shape of the article upon the expiration of patent/design as per the object of the Designs Act and the competing interest is the interest of consumer to be protected as per the object of the Trade Marks Act. Some balance approach is required to be followed so that there should not exist any conflict with the two competing public interests and policy and one does not outweighs the other. Once the proprietor has already enjoyed the statutory monopoly with the disclosure of the same to the authority and to the general public and with a covenant with law that after expiration of the design, the right will be available to the public to freely use the said design, it would be incongruous to assume any further public interest to protect against confusion outweighing the paramount public interest which is right to exploit the work of lapsed patent so that further intentions and workings can be done upon the same. Such an approach of US court in the case of *Honeywell* (supra) is totally inconsistent being purely doctrinal one and

overlooks the fundamentals of monopoly akin to patent law and limits its examination of the case purely on academic basis without considering its practical implications.

91. The view which has been taken in Honeywell (supra) might have been persuaded or influenced by the economic policy of US to promote the commerce and investment but from legal point of view the said extension of monopoly basing upon artificially created doctrinal distinctions is alien to the law in common law jurisdiction like India where the courts believe that there should be consistency in the law and the precedents are holding the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.68 of 94 field and the laws should not be disturbed easily till the time there are outweighing compelling circumstances. There is no such policy change brought in India which compels this court to take the similar view in India according dual protection and rendering the Design Act otiose.

92. In 1996 again the US District Court in Krueger Intl. Vs. Nightingale Inc. 915 F. Supp 595 (SDNY 1996) held that trademarks rights do not extend the patent monopoly. It was held thus:-

"[T]rademark rights do not "extend" the patent monopoly. They exist independently of it, under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it."

93. The said view is of District Court in US is again a slipshod with the underlying policy behind the patent law. It is totally contrary to the underlying policy of Designs Act in India is that the commercial and industrial articles enjoy lesser monopoly for a limited period of time and the same should not be unnecessarily extended.

94. Likewise in the case of TrafFix Devices, Inc. Vs. Marketing Displays, Inc., 532 U.S. 23, 25 (2001), the Supreme Court again was concerned with the question as to whether after expiration of patent right, trade dress rights are foreclosed. The court noted several divergence of opinion by circuits on the issue which includes 5th, 7th Federal Circuit and did not proceed to discuss the impact of expired design patent on trade dress protection and left open the said legal question and rather concentrated more on doctrine of functionality of the shape.

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95. Therefore, the development of law as it goes in US clearly states that there are conflicting views which are taken by several circuits in relation to the effect of expired patent on the maintainability of trade dress protection under the guise of passing off.

96. The Supreme Court in US did not answer this question explicitly but in the case of TrafFix Devices (supra) had held that the subject article in that case was not protectable as it was a functional article. Therefore, it is equally controversial area of law in US and it has not been decided by the superior court that the expired design can be revalidated by way of passing off action. The inconsistencies of views are prevailing in several circuits in USA. The trends in 1990s are though leaning towards the pro protection policy.

97. In view of above discussion, it is clear that in US also the highest court in the case of *TraFFix* (supra) has refrained from commenting upon the said question when the proprietors and public were waiting for the Supreme Court to comment on the said question. The views taken in *Moregen* (supra) and *Honeywell* (supra) and a few handful of decisions by circuits are not giving complete and explicit analysis of law and the underlying policy of patent and design law as discussed above. The said views are inconsistent with the public policy and the statement of objects and reasons of the Designs Act in India which clearly does not permit any such extension of monopoly rights.

98. It is however not out of the place to mention that the decisions of US courts are also put to severe criticism by several scholars and researchers of the Universities in US as well as world over. The said decisions are said to be against the pith and substance of the monopoly rights conferred by the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.70 of 94 Designs Patent as stated by the one of the authors. It is also not wrong to say that even the US courts have taken contrary views on the subject from time to time and acknowledge that the question of dual protection is one of the most controversial area of law.

99. In a celebrated Article written by David L. Lange who is from Duke Law University titles as "The Intellectual Property Clause in a contemporary trademark law: an appreciation of two reason essays and some thoughts about why we ought to care", published as *Law and contemporary problems*, Vol 59 (2) page no. 213. The learned Author has discussed that by the passage of time the distinction between the trademark rights vis-à-vis other intellectual property have become totally withered away. In the words of learned Author, it has been stated:-

"The passage of time, and with it the accretion of subsequent cases, new legislation, and regulations as well as commentary sacred and profane, not to mention accords tacit and explicit alike, have brought a measure of resolution to these issues at certain levels of doctrinal understanding. Certainly, no one doubts today that copyrightable subject matter may have additional protection under the Lanham Act when the separate requirements of that Act are met; the same apparently is true of patentable subject matter. 'Trademarks meanwhile, may be protected by copyright when they meet the requirements of authorship and originality Whether the subject matter of trademarks also may be patentable is less clear. But the Federal Circuit is currently considering a case in which the proprietors of trade dress are claiming the rights of a patentee. Assuming novelty, non-obviousness, and utility, nothing seems clearly to stand in the way of such a result.'" (Emphasis Supplied)

100. The learned Author proceeded to observe that by doing all this, we are trying to accommodate the complexities in the field of law which are CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.71 of 94 unguided and unrestrained by the constitution. It has also been observed by the Author that by doing so, we are also equally unwise as we are tending to forget the reasons behind the laws for which they were enacted. The learned author also finds that we are unwise because we are forgetting the limits and bounds of the trade mark protection and proceedings to impede with the public domain by extending the doctrine unbridled by the law which is cause of central concern. In the words of the learned Author, it has been observed thus:-

"We have learned, in short, to accommodate complexities in the field of intellectual property that would have confounded the Court that decided The Trademark Cases a little more than a century ago. And we have done so, as I say, largely unguided and unconstrained by the constitution. This is indeed why the Intellectual Property Clause matters now as it has not in the past.

In the view of many observers, myself among them, we have learned to be a bit too accommodating." The complexities in the interplay among our contemporary doctrines now allow a degree of slippage that is unwise twice over.

(Emphasis Supplied) "We are unwise, first, in the confusion we have sown among doctrines once admirably self-contained. For what is implicit in The Trademark Cases is that there is a fundamental difference between copyright and patent rights, on the one hand, and trademarks on the other. Indeed, at the time, there was." (Emphasis Supplied) "The result is one I think Schecter himself would have denounced: We no longer know where the rational limits of trademarks lie. My colleague Paul Carrington likens the law to Mark Twain's River, rolling on forever and charting new meanders as it flows. It is a pretty metaphor. In the field of trademarks and unfair competition, though, it often seems CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.72 of 94 that the river is over its banks; the boundaries among doctrines are no longer clear.' And we are unwise, I would insist again, in allowing that to happen-unwise for perfectly straightforward doctrinal reasons wholly internal to the field. Lawyers cannot help clients whom they cannot counsel, and lawyers cannot counsel clients effectively about law they cannot sensibly predict or explain or defend. (Emphasis Supplied) We are unwise, moreover, in the separate and additional degree to which we have allowed intellectual property doctrines to encroach upon the public domain. This is not a new problem in trademark law. The protean nature of trademark doctrines has been apparent for the better part of two decades. But one now senses a kind of critical mass as a new millennium approaches and new technologies converge with subject matters once the province of separate doctrines." (Emphasis Supplied)

101. All these observations were made with respect to encroachment of trademark law regime with the public domain. I find that these observations of the learned author summarizes the present problem which this court is faced with quite aptly as the courts, in the process of protecting the rights under the IP law regime, have forgotten the limits to which such monopoly extends and the protection is permissible to the extent the policy and the law provides for and therefore too much accommodation as the author puts it, is unwise exercise as this would diminish and deplete the public domain which is permitted in law.

102. Therefore, the position in US being purely doctrinal in nature and after being severally criticized within US itself is more of a capitalistic approach to follow rather than to serve the constitutional goals as provided in the Indian Constitution which is for the welfare of the people and gives right to carry on any business subject to the monopolies created by the law CS(OS)

No.1446/2011 & CS(OS) No. 384/2008 Page No.73 of 94 and once the statutorily conferred monopoly expires then the right is equally available for the public to freely use the said article without any further judicially created fetters.

103. In one of the articles written in US titled as *Traffix Devices, Inc. V. Marketing Displays, Inc.*: The problem with Trade Dress Protection For Expired Utility patents written by Keeley Canning Luhnnow which was published in the Buffalo Intellectual Property law Journal, 2002 edition Vol. 1 at page 224. The learned author has dealt with the purpose behind the Designs and Patents Act and proceeded to observe that the extension of the monopoly is against the policy of the Designs and Patents Act. In the words of the author, it was observed thus:

"The term of a utility patent is twenty years from the date of the filing of the application. Once the patent has been granted, the application is made public so that others may determine what is covered by the patent." During the twenty years of the patent's validity, the patentee does not necessarily have the right to make, use, or sell the invention. The inventor does have the right to exclude others from making, using or selling the patented invention.

The purpose of the Patent Act, as stated by the Court in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,³ is to create a "carefully crafted bargain for encouraging the creation and disclosure of new, useful, and non obvious advances in technology and design in return for the exclusive right to practice the invention for a period of years." The Supreme Court has identified three specific policies advanced by the Patent Act: First, patent law seeks to foster reward and invention; second, it promotes disclosure of inventions to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.74 of 94 that ideas in the public domain remain there for the free use of the public." (Emphasis Supplied) The right to copy is believed by many commentators and courts to be implicit in the patent laws. The goals of the Act and the constitutional limits placed upon Congress by the Intellectual Property Clause "led the Supreme Court to articulate a right to copy flowing from the Patent Act and the Constitution." Given that at the expiration of a patent the invention enters the public domain, many believe that by granting trade dress protection to anything included in a patent, the patent monopoly would be extended. This would defeat the main purpose of the Patent Act." (Emphasis Supplied).

104. Therefore, the said judgments passed in US courts as cited by the learned counsel appearing at the bar should not be readily accepted considering the difference in the policies as well as the difference in the legal position between India and US. The said judgments are thus distinguishable and not applicable in Indian context. Likewise, the US authority *Mcarthy on Trademarks* mentioning about the trade dress rights in the cases relating to expired designs by placing reliance on the judgment of *Morgan Davies* (supra) equally is not applicable due to difference

between US and Indian law relating to Designs.

105. It is not that the court is witnessing this approach of proprietors of the monopoly rights seeking to extend the monopoly in the field Intellectual property for the first time in cases where there is conferment of limited monopoly rights by the Act. As the scholars and researches across the globe themselves acknowledge, in the field of patents, we have seen the similar attempt by the innovators attempting to indefinitely enjoy the patent monopoly by making similar kind of substances which are subject matter of CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.75 of 94 patent especially in the field of pharmaceuticals leading to dual monopoly type situation. The said concept is more popularly known as ever greening. More, recently, the said proposition has been witnessed by the Supreme Court in the case of Novartis AG v. Union of India & Others while deciding Civil Appeal No. 2728 OF 2013 decided on April 01, 2013.

106. In sharp contradistinction, the said views which are prevalent in USA and UK which are due to the change in policy and jurisprudential differences as they are existing in those countries with that of India, The legislative policy in India in relation to Designs Act, 2000 remains the same which is that the shape of the articles are granted limited monopoly rights which should not be unnecessarily extended. The said policy governs the field and cannot be departed with. The countries like US and UK have adopted a significantly new policy towards never ending protection of the rights in relation to shape of the commercial articles which in their economic state of affairs may be permissible. But India being a Welfare State has to serve several important goals as provided in the Preamble of Constitution of India. The fundamental rights to do any business under Article 19 (1) (g) is one such fundamental right. The same is however subject to reasonable restrictions as contained in Article 19 (6) which can be imposed by the Act of Parliament. Once the restrictions contained in the law cease to have effect and legislative policy also states the same, it would be impermissible to judicially extend the said restriction by putting the same in another bracket of common law (more so when there exists no such common law right) which would violate the fundamental rights of the citizens to use such inventions or designs which were earlier subjected to monopoly rights conferred by the Sovereign. Therefore, in the interest of proprietors and right CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.76 of 94 holders, the courts of justice cannot permit the proprietors to enjoy monopoly rights in perpetuity when the position in law says that the said rights extinguish once the patents and designs expire and the articles go in public domain. The said right of the public which exists in law and policy cannot be abridged by the judgment of this court. As such, the said view of extending the monopoly right even after expiration of the patent shall also be against the public policy. Therefore, there exists a policy difference between the view prevalent in USA and UK as against in India and till the time this policy change is brought into force very clearly by the Parliament, such extension of rights is seemingly impermissible.

107. An argument which can straightaway be raised against the aforementioned reasoning is that what about consumer confusion as the court is equally concerned about the consumer confusion and protect the public interest. The answer to the said proposition is that what goes in public domain is the shape of the articles by virtue of the expiration of design and not the trade dress of the label or what has been represented on the outer packaging indicating the source of the product or what is outside the scope of the monopoly claimed in the Design right. The remedy of the passing off would lie in case the competitor not merely copies the shape of the article existing in public domain but also copies the trade dress, get up or any other feature in which case proprietor can take action to the extent there is confusion as to source as indicated on the packaging of the article. The reason is very simple, the design or shape of the article is distinct from trade dress action. The trade dress action, on the contrary cannot be extended to include the shape of the goods which are in public domain after expiration of the design.

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108. Learned counsel for the parties have cited a judgment passed in the case of Gorbatschow Wodka Kg Vs. John Distilleries Ltd., 2011 (47) PTC 100 wherein the learned single judge of Bombay High Court while considering the case of passing off premised on shape marks has also considered the Design registration of defendant under the Designs Act, 2000 and proceeded to observe that the same is inconsequential for maintaining the passing off action. I find that the said judgment is clearly distinguishable from the proposition with which this court is concerned with. This is due to the reason that in the instant case, we are concerned with the proprietor's attempt to enjoy both the inconsistent rights for the purposes of extension of monopoly right. In Gorbatschow (supra), the stand of the plaintiff was that the bottles manufactured by the company are forming part of distinctive shape mark as such entitled to protection, the said plaintiff nowhere claimed the monopoly of Design right before the court. It is rather the Defendant who had set up the registration of Design as a Defence in the said suit. In response to which, the learned single judge observed that it is not necessary for the plaintiff to go for Design registration and the shape are as such protectable. There is no quibbling to the said proposition and as such the said case does not come in the way of mine to take the view which I am taking. This is due to the reason that I have reconciled the conflict between the two inconsistent rights by adopting the principle of election of rights. Once the proprietor elects to treat the shape of the product as a trade mark and proceeds to approach the court on the very same premise, the mere fact that the defendant has registered a design of the said product is inconsequential so far as the claim of the trade mark rights of the proprietor is concerned if his election is found to be consistent throughout. On the CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.78 of 94 contrary, if the proprietor elects to proceed with the limited monopoly right of Design, then it seems impermissible for him to place reliance on common law right in the event his action fails on the statutory rights as there exists

no such common law rights in addition to the limited monopoly rights granted by the statute of Designs.

Effect of Saving or Non Saving of Common law Rights

109. After analyzing the nature and characteristic of both Design Right and passing off remedy, I have come to the conclusion that where as the Design right is the monopoly based on the policy akin to patent which is true monopoly based on statute. On the contrary, the passing off is a common law right existing for different reasons which undermines the public policy operating behind the statutory rights like patents and designs. Thus, clearly, the Design Act, 2000 required no saving of any common law right due to the very nature of the Design right being statutory cannot accommodate common law right along side the same as doing it would be against the principle which forms the basis of patent and design right which is conferment of limited monopoly rights. That is the reason why the patents and the design acts do not contemplate any such common law right or saves the same as they are not aimed at granting the monopoly rights in perpetuity but only aimed at granting the limited rights.

110. The position in law in relation to saving of common law right however is that the common law rights are not readily inferred by the courts in the cases where there exists a special legislation occupying the field having its own distinct objects unless established by way of practice or saved by the provisions of the Act. The said position in law is well settled by the Supreme Court in the case of the judgment of Kedarlal Seal and CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.79 of 94 Another Vs. Hari Lal Seal reported as AIR 1952 Supreme Court 47 wherein the Supreme Court observed in the context of mortgage about the availability of common law principles in the following terms:-

"36. I am of opinion that the second solution adumbrated earlier in this judgment, based on equities, must be ruled out at once. These matters have been dealt with by statute and we are now only concerned with statutory rights and cannot recourse to equitable principles however fair they may appear to be at first sight. (Emphasis Supplied)

37. The Privy Council pointed out in Chhatra Kumari v. Mohan Bikram, 10 Pat.851 p.869 that the doctrine of the equitable estate has no application in India. So also referring to the right of redemption their Lordships held in Mahammad Sher Khan v. Seth Swami Dayal, 49 Ind. App. 60 at p.65 that the right is now governed by statute, namely, S.60 T.P. Act. Sulaiman C.J. (later a Judge of the Federal Court) ruled out equitable considerations in the Allahbad High Court in matters of subrogation under ss.91, 92, 101 and 105, T.P. Act, in Hira Singh v. Jai Singh, AIR (24) 1937 All. 588 at p.594 and so did Stone C.J. and I in the Nagpur High Court in Taibai v. Wasudeorao, I.L.R.(1938) Nag. 206 at p.216. In the case of s.82 the Privy Council held in Ganesh

lal v. Chran Singh, 57 Ind. Appl. 189 P.C. that that section prescribes and conditions in which contribution is payable and that it is not proper to introduce into the matter any extrinsic principle to modify the statutory provisions. So both on authority and principle the decision must rest solely on whatever section is held to apply." (Emphasis Supplied) This view of the Supreme Court in Kedarseal (Supra) has been affirmed by the Supreme Court in the recent decision of Sandur Manganese & Iron Ores Ltd. Vs. State of Karnataka & Ors. reported as (2010) 13 SCC 1, wherein the Court again reiterated the same principle:-

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.80 of 94 "83. The Law of equity cannot save the recommendation in favour of Jindal and Kalyani because it is a well settled principle that equity stands excluded when a matter is governed by statute. This principle was clearly stated by this Court in the cases of Kedar Lal vs. Hari Lal Sea, (1952) SCR 179 at 186 and Raja Ram Vs. Aba Maruti Mali (1962) Supp. 1 SCR 739 at 745. It is clear that where the field is covered expressly by Section 11 of the MMDR Act, equitable considerations cannot be taken into account to assess Jindal and Kalyani, when the recommendation in their favour is in violation of statute." (Emphasis Supplied)

111. From the reading of above said observations of apex court, it is clear that howsoever equitable or justifiable or fair the remedy seems to be if the dominion is governed by the Statute then the equitable principle must pave the way and the same has to be necessarily ruled out when it comes to consideration of statutory rights and remedies. It is also clear that when the subject of law is governed by the statutory provisions and when there is purely statutory remedy prescribed under the law, there is no room in common law or for that matter equitable considerations to be pressed into service while dealing with the remedies under the said law.

112. It is well settled that the principle of common law if at all pre existing at the time of coming into force of Constitution of India are applicable only to the extent saved by the statutory provisions as otherwise if the law is enacted post coming into the force of Constitution of India, the said common law if it is pre-existing shall stand overridden by the enactment of the Statute. The Apex Court in the case of UOI and Ors. Vs. Sicom Limited & Anr. reported as (2009) 2 Supreme Court Cases 121, has held as under:-

"9. Generally, the rights of the Crown to recover the debt would prevail over the right of a subject. Crown debt means the "debts due to the State or the King; debts which has prerogative CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.81 of 94 entitles the Crown to claim priority for before all other creditors" Such creditors, however, must be held to mean unsecured creditors. Principle of Crown debt as such pertains to the common law principle. A common law which is a law within the meaning of Article 13 of the Constitution is saved in terms of Article 372 thereof. Those principles of common law, thus, which were existing at the time of coming into

force of the Constitution of India, are saved by reason of the aforementioned provision. A debt which is secured or which by reason of the provisions of a statute becomes the first charge over the property having regard to the plain meaning of Article 372 of the Constitution of India must be held to prevail over the Crown debt which is an unsecured one.

10. It is trite that when Parliament or a State legislature makes an enactment, the same would prevail over the common law. Thus, the common law principle which was existing on the date of coming into force of the Constitution of India must yield to a statutory provision. To achieve the same purpose, Parliament as also the State legislatures inserted provisions in various statutes, some of which have been referred to hereinbefore providing that the statutory dues shall be the first charge over the properties of the taxpayer. This aspect of the matter has been considered by this Court in a series of judgments." (Emphasis Supplied)

113. In view of the aforementioned exposition of law by the Supreme Court from time to time, it can be said that normally the common law right stands excluded in the cases of statutory right. In the present case, I have already discussed above that the saving of the common law right in the case of the Design Right was not necessitated as the same is inconsistent with the nature and characteristic of the Design right which disturbs the policy to confer the limited rights on the proprietor. Thus, the said common law right could not have been saved by the Legislature in view of the clear legislative intent to grant limited rights. The said absence of saving clause in the Design CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.82 of 94 Act unlike 27 (2) of the Trade Marks Act is thus not inconsequential but is a conscious omission on the part of the legislature as the legislature never intended to confer the rights in perpetuity to the Design right holder. Thus, the said absence of saving is consistent with the nature and legislative policy operating behind the design right. Therefore, to say that the said distinction between common law and statutory right as emanating from the view propounded by Justice G.R. Luthra in the Tobu Vs. Megha (supra) is meaningless is not correct understanding of law and policy behind the Design Act. The said view is the only correct exposition of the law on the subject. This discussion also creates one major reason for us to adopt the view that a person who is availing his design monopoly cannot avail simultaneously the common law right of passing off when there exists no such right considering the legislative intendment behind the conferring of Designs right.

Co-existence of Passing off Right/Remedy alongside Design Right

114. The proposed reference of question (2) does not seek to challenge the very existence of the passing off as a remedy but is rather concerned with a specific question which is that whether a person who is registered proprietor of the Design right can avail the passing off remedy along side the same and what can be harmonious construction so that the protection under both the statutes should

operate in their respective fields without impinging on the objects of the each other. After having analyzed the nature and characteristic of the Design Right and passing off right, I shall proceed to address these specific aspects.

115. The contention that there exists a passing off right in addition to the Design Right has been argued by the learned counsel for the parties under CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.83 of 94 the two heads, one being that the existence of the common law right of the passing off during the subsistence of the Design right and also the conferment of the passing off right after the expiration of the Design right. I have already discussed above in great detail that there cannot exist any passing off right after the expiration of the design as this would be against the objects and legislative policy of the Design Act. I shall now proceed to evaluate the proposition as to the possibility of the passing off right during the subsisting design right.

Existence of Passing off Right during the Subsistence of Design Right

116. I have already discussed this aspect in great detail while arriving at the finding that the very nature of the Design right is such which is statutory in nature and provides a protection for the limited period of time. The common law right or action in deceit in common law in relation such novel shapes which are subject matter of Design protection thus cannot be given protection in addition to the statutory right conferred by the Design Act as the same would be undermining the legislative intention and policy for which the Design right was conferred upon registrant. This is due to the reason that the very existence of the unregistered right in common law would make the statutory grant of design right meaningless or redundant. Secondly, once the nature and characteristic of the monopoly is such that it is a true monopoly based on statutory right akin to patent, it is inconceivable as to how there can be any monopoly be available under the common law which can exists besides the registered design right itself as the same would again mean that without disclosing the date of novelty, claim and scope of the monopoly in the design application, any person can claim anything in relation to the shape of the article in common law as a design right without CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.84 of 94 any need to register the same and disclosing the authority about the newness in the shape. I find that such exposition of the law wherein the Designs are protected in common law in addition to the statutory right would defeat the existence of the Statutory right itself. Additionally, the said common law right of passing off if allowed to be given to the proprietor of the Registered Design while enforcing his Design right would also come in the way of expiration of the monopoly of Design right as the said right would never expire and continue to exist in common law. Thus, the action premised on Design right cannot claim the passing off right in relation to same subject matter which is in relation to shape of the articles as both are inconsistent with each other.

117. Having said so that during the subsistence of the Design right, the action in deceit in common law is unavailable in relation to same subject matter is not an absolute proposition. The action in deceit which is passing off right cannot altogether be withered away as it seeks to prevent mainly confusion and deception. As per the learned counsel for the parties the trade mark is something extra which is applied to the design where as the design is merely a part of shape which has been propounded by House of Lords in the case of *Smithkline & French Laboratories Ltd Vs. Sterling-Withrop Group Ltd.*, (1975) 1 WLR 914, going by that view, the action for the passing off is maintainable on the ground of trade dress right which seeks to prevent confusion as to source on the basis of the adopting similar get up or label or affixing a get up which may cause confusion as to the source of the product.

118. In the subsisting Design right, the shape of the product would be subject matter of statutory protection of the rights conferred by the Act of CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.85 of 94 2000, in the cases involving infringement of the said Design right, the passing off right or action is permissible in law in order to prevent confusion which can be caused by all other modes except the shape of the products which are subject matter of the Design right. Thus, to say that preventing the passing off right in shape of the article would lead to anomalous situation leaving the confusion to happen in the market is not correct understanding of law. In the subsisting Design right, the shape of the article would enjoy the monopoly conferred for limited period of time by the Design Act and the confusion in the market can still be prevented by filing a passing off action on the basis of the trade dress right if the infringer or any person besides using the shape also uses get up or name or mark or any other sign which may lead the consumer or unwary purchaser to believe the product is emanated from the proprietor. This is the only reconciliation where under one can preserve both the legislative intendments of Design right as well as the public interest involving the confusion. Extending the bounds of passing off action in the subsisting Design right would make the Design right under the Designs Act otiose and the said construction should be eschewed.

119. The principle of election of right is the only way in which both the laws trade mark and Design Act can be harmoniously construed so that the interpretation of one law may not have effect on the other adversely. This will also preserve the policy underlying both the laws. The election of rights principle was also followed by the Courts in America in the cases where Design right was protected both by copyright as well as by patent. It is altogether different matter that USA abandoned such principle later on after accepting the policy of dual monopoly which acted in the interest of the proprietors.

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120. In one of the article titled as Extending the Monopoly? The Risks and Benefits of multiple forms of Intellectual property protection authored by Gordon J.

Zimmerman published in Canadian Intellectual Property Review volume 17 at page 345 published in Canada, the learned author in the said article has extensively discussed about the overlapping of the rights in trade marks rights in trade dress with that of Design right. After noticing the various precedents from US courts which has been seen in the present case, the learned author in conclusion of his paper suggested that the election of rights as one of the safest mode to reconcile the conflicting overlap of the monopoly rights. In the words of the learned author, it has been observed thus:

"Perhaps it is fair to put the creator of an industrial design to a choice: either accept a 10-year exclusive term of protection without proof of reputation, or risk losing any claim to distinctiveness by forgoing such protection. If the creator forgoes any monopoly design protection and nonetheless succeeds in establishing distinctiveness for the design, then the creator will be entitled to receive a potentially unlimited term of protection as a distinguishing guise or trade-mark. Perhaps that should be the reward for taking the risk that exclusivity will not be achieved. In contrast, the bargain for achieving a 10-year up-front monopoly by way of industrial design registration may be that no protection of the design thereafter, by trade-mark or otherwise, will be possible. (Emphasis Supplied) "Thus, it may be fair to deny the holder of an industrial design the option of effectively extending protection in the design itself, as a trademark, beyond the industrial design term of protection. However, if the creator of the design is willing to accept the risk that the mark may not become or remain distinctive, and forgo industrial design protection, it may be entitled to claim the benefit of trade-mark protection when it CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.87 of 94 can show distinctiveness through extensive use. In contrast, the extension of protection for a design as a distinguishing guise or otherwise following expiry of an industrial design registration may be found to be likely unreasonably to limit the development of the art or industry in which the design has been used, and thus be prohibited." (Emphasis Supplied)

121. I find that the aforementioned excerpts from the paper presented by the learned author in Canadian law journal fortify the view which I am taking in the instant case which is that the conflict between the Design right and passing off right which are mutually inconsistent from each other can be resolved by putting a choice upon the proprietor by adopting the principle of election of the rights.

122. The applicability of the principle of election of rights in the present case would also translate the real intention of the proprietor who may either genuinely intend to treat his product as novel shaped article or in alternative intend to use it as trade mark. The proprietors who have genuine intentions to get their products identified in the market as shape of the goods shall continue to enjoy trade mark rights when they rightfully conduct election between the remedies. The abuse of the process and policy of the law would not stop till the time proprietors in order to extend their monopoly rights continue to adopt inconsistent approaches to first treat their article as novel

shaped design after expiration of which gives right to public to use free and thereafter attempting to again enjoy another round of monopoly by violating the policy behind the law.

123. It is well settled that when there are two inconsistent remedies prescribed under the law to a party and the party elects one of the remedies and proceed further on one premise, then the party is by virtue of law of CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.88 of 94 election of the said remedy is estopped from going back and switching over to other inconsistent remedy.

124. In this regard, kindly see the judgment of the Supreme Court in Transcore Vs. Union of India & Anr. (2008) 1 SCC 125 in paragraph 64 at page 162. The observations being relevant are culled out hereinafter:-

"In the light of the above discussion, we now examine the doctrine of election. There are three elements of election, namely, existence of two or more remedies; inconsistencies between such remedies and a choice of one of them. If any one of the three elements is not there, the doctrine will not apply. According to American Jurisprudence, 2d, Vol. 25, p. 652, if in truth there is only one remedy, then the doctrine of election does not apply. In the present case, as stated above, the NPA Act is an additional remedy to the DRT Act. Together they constitute one remedy and, therefore, the doctrine of election does not apply. Even according to Snell's Principles of Equity (31st Edn., p. 119), the doctrine of election of remedies is applicable only when there are two or more co-existent remedies available to the litigants at the time of election which are repugnant and inconsistent. In any event, there is no repugnancy nor inconsistency between the two remedies, therefore, the doctrine of election has no application." (Emphasis Supplied)

125. It is clear from the definition that the Design includes shape and configuration of the article and on the other hand definition of the mark under the Trade Marks Act also includes the shape of the goods, which make it clear that there exist two remedies on the same subject matter. The said remedies are mutually inconsistent from each other concept wise (right to prevent use versus right to exclude others), policy wise, monopoly wise and many other respects as seen in above analysis, It has also been made clear that the right of passing off cannot co-exist with the Design right as the very CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.89 of 94 existence of the same along with Design right on the same subject undermines the policy behind the Design law which is to confer limited rights with no further extension. In such a case, proprietor or a suitor has to necessarily elect the remedy either under the common law permissible in the law of trademarks, or in the alternative, under the purely statutory remedy which is the Designs Act and the courts will then evaluate the rights depending upon the provisions of the respective laws applicable.

126. The passing off right as existing in the Trade Mark Act is available to the right holder in alternative to the design right under the Design Act to the extent there exists an overlap relating to the shape of the articles. The rights and actions in the passing off shall continue to be available if there exists similarities in the trade dress or in any other way there is a likelihood of confusion as to source which does not conflict with the legislative policy of the Designs Act and subject matter of the Design right.

127. It is equally noteworthy to mention that this court is concerned with a limited question of the availability of the remedy of passing off in relation to shape of the articles so far as it conflicts Design right forming subject matter of registration, thus the features of the shape of the articles which do not form the subject matter of the protection under the claim statement made in the Design certificate can be a subject matter of the protection under the law of passing off provided that the said features qualify all the tests for the availability of the passing off right and distinctiveness as envisaged under the Trade Marks Act.

128. Thus, the answers to question (2) would be that there is no availability of the remedy of passing off right seeking to protect the shape of the articles CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.90 of 94 which may be enforced alongside the enforcement of the statutory rights conferred by the Design Act. However, the remedy of passing off shall continue to be available to prevent consumer confusion by all other modes so far as they do not conflict with the protection of the Design right. All the decisions of this court which seek to protect the shape of articles which are subject matter of the Design registration by way of common law right and creates an overlapping protection kind of situation hence contrary to law in view of my discussion above.

129. In the end of the my answer to question no. 2 under reference, I would like to reemphasize that the view which I have taken in relation to the nonexistent right in common law in relation to expired design is based on the avowed purpose of the Design Act and the nature of Design monopoly which is akin and has trappings of patent. It needs no reiteration that once the Design patent expires, the shape or embodiment of the article goes in public domain. The authorities across the globe acknowledge the said proposition. In such circumstances, it is too pressing for me to take a contrary view which is legally unsustainable which is that the public domain right which is implicit in the statutory cannot be encroached upon by judicial extension of the monopoly rights.

130. The argument which has been sought to be canvassed against the right of the public to use the shape of the goods in relation to expired design is that such shape may have become distinct during the course of the time of the use and might have attained a trade mark signification. I am of the view that the said argument is fundamentally flawed and is against the basics underlying the regime of Patent and

Designs. Once, the proprietor has chosen the root of the patent or monopoly akin to patent, the exclusive rights CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.91 of 94 vest in him for a limited period of time, at that point of time he enjoys exclusively to the exclusion of the others. However, after the expiry, the proprietor has a covenant with the law that the said shape, embodiment or function which are subject matter of the patent or design shall go in public domain. It is as a matter of law or operation of law, such shape or features as a mandate of policy going into public domain. In such circumstances, it can be said that now once the rights under the statute are exhausted, there subsist another right under the distinguishing guise which may encroach of the right of the public domain for all times to come and will inhibit the law to take its own course.

Answer to Question 3

131. I have already arrived at the conclusion that there exists no possibility where there can be an availability of the passing off right under the common law in relation to the same subject matter which are shape of the articles forming subject of the registration of Design. Thus, the answer to the question No. 3 in so far as joining of the remedy of passing off during the subsisting design right seeking a protection of the designable subject matter in common law is concerned is in negative.

132. Therefore, the remedy of the passing off as available under the Trade Marks Act cannot be joined with the suit for infringement of registered Design so far as the said protection seeks to protect the shape of the product comprising the same subject matter. The said remedy of passing off right under the Trade Marks Act is available in alternative to Design right conferred by the Design Act.

133. I have also discussed in the preceding paragraphs that the remedy of the passing off is still available in the relation to aspects relating to articles CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.92 of 94 like trade dress, signs, labels, trade name or in any other manner which seeks to prevent the confusion so far as the same does not conflict with the Design right. The passing off actions premised on such causes of action excepting the designable subject matter which are not inconsistent with the scheme and object of the Design Act can be joined together with the suit involving the infringement of the Design right.

134. I shall now sum up my answers to the questions under the reference in the following manner:

a) A suit by the registered proprietor of Design for infringement of the registered design is not maintainable against another registered proprietor under the Designs Act, 2000 in so far as the registration covers the same features of the shape and configuration of the same article under the Design.

b) The remedy of passing off in so far as it relates to claim of protection for shape of articles is not available for the purposes of enforcement of rights and remedies under the Design Act.

The said remedy is clearly absent under the Designs Act considering the avowed objective of the Act of 2000 which is to provide limited protection with no unnecessary extension.

c) The remedy of passing off in so far as it relates to claim of protection for shape of articles cannot be joined with the suit for infringement of the registered Design. The said remedy of passing off is available in alternative to the statutory protection conferred by the Design Right. For the purposes of the same, the suitor has to elect between the two inconsistent rights and remedies having distinct objects and policies.

CS(OS) No.1446/2011 & CS(OS) No. 384/2008 Page No.93 of 94 Additional legal points determined

a) Notwithstanding the above said conclusion in (b) and (c), the remedy of passing off would continue to be available along with the infringement of registered designs and can be joined with the same in order to prevent consumer confusion which may be caused by the use of trade mark, get up, trade dress or in any other manner excepting the shape of the goods which is or was forming the subject matter of the registration of the Design.

b) The remedy of the passing off in so far as the shape of the article is concerned shall also be available even during currency of the design monopoly or even after the expiry of same to the extent that the claim of the feature of the shape is not covered within the novelty claim under the Design monopoly rights and the said claim of the protection qualifies all the necessary ingredients of the Trade Mark.

c) A remedy of passing off in so far as the shape of the article is concerned shall not be available even after the expiry of the Design to the extent the said feature of the shape of the article is covered within the novelty claim as made under the Design Right as after expiration of the Design, the novel shape claimed under the Design Act goes in public domain.

135. The reference is disposed of.

MANMOHAN SINGH, J.

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