

Whirlpool Of India Ltd vs Videocon Industries Ltd on 27 May, 2014

Author: S.J. Kathawalla

Bench: S.J. Kathawalla

KPPNair

-1-

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO. 2269 OF 2012

IN

SUIT NO. 2012 OF 2012

Whirlpool of India Ltd.

... Applicant

In the matter between:

Whirlpool of India Ltd.

... Plaintiff

Vs.

Videocon Industries Ltd.

...Defendant

Mr. Ravi Kadam, Senior Advocate, along with Mr. V.R. Dhond, Senior Advocate, Mr. Rashmin Khandekar, Mr. Manish Saurastri, Mr. Rahul Dhote, and Hemant Thadhani, instructed by M/s. Krishna & Saurastri Associates, for the Plaintiff.

Mr. I.M. Chagla, Senior Advocate, along with Mr. Riaz Chagla, Mr. H.W. Kane, Mr. R.D. Soni, Mr. A.H. Kane and Ms. Akshata Kamath, instructed by M/s. Ram

& Co., for the Defendant.

CORAM: S.J. KATHAWALLA, J.

Judgment reserved on: 28 November, 2013
th

Judgment pronounced on: 27 May, 2014
th

JUDGMENT :

1. The Plaintiff is a subsidiary of Whirlpool Corporation, a Company incorporated under the laws of the United States. According to the Plaintiff Whirlpool Corporation is one of the world's leading manufacturers of home appliances globally and a pioneer in the manufacture and sale of washing machines. According to the Plaintiff, it is a pioneer in India for washing KPPNair -2- NMS 2269 OF 2012 machines and manufactures all three types of washing machines viz. semi automatic, fully automatic (top loading) and a fully automatic (front loading) targeting different segments of consumers.

2. According to the Plaintiff, it has obtained two design registrations i.e. Nos. 223833 and 223835 which are annexed at Exhibits A-1 and A-2 at pages 40 and 45 of the Plaintiff (the said designs). The said design registrations are valid, subsisting and in force for a period of ten years from 15 th July, 2009, and their validity can be extended for an additional period of five years thereafter.

In or about June, 2012, the Plaintiff came across a washing machine manufactured and marketed by the Defendant - Videocon Industries Ltd. under the brand name "Videocon Pebble" which had virtually the same and/or similar design and features of shape and configuration as the Plaintiff's product and the said designs registered by the Plaintiff. According to the Plaintiff a bare look at the product of the Defendant makes it absolutely evident that the same is a complete copy of the product and/or the said designs of the Plaintiff. The shape and/or configuration of the Defendant's washing machine was almost identical to that of the Plaintiff. The Defendant's washing machine had replicated the exact and novel combination of the distinctive circular wash area, the compact right aligned control panel and the unique rectangular drying area from outside.

Not only were the individual features and/or components copied but even the combination thereof had been replicated. The copying by the Defendant did not rest with the mere replication of the shape, pattern and configuration. For good KPPNair -3- NMS 2269 OF 2012 measure, the Defendant also copied the distinctive color scheme and/or two tone combination that was employed by the Plaintiff. The Defendant applied to its washing machines the same combination of colours, the same manner of placement of colours, and even replicated precisely the same pattern/placement of the rival colours. Resultingly, the two were visually on an initial look indistinguishable.

3. The Plaintiff in the circumstances filed the present suit against the Defendant for infringement of the said designs; passing off; and damages. The Plaintiff also took out a Notice of Motion in the Suit and moved for an ad-

interim injunction against the Defendant, before this Court on 25 th July, 2012 (Coram: B.R. Gavai, J.). The Learned Single Judge by his detailed order dated 25th July, 2012, was pleased to grant an ad-interim injunction in respect of both infringement and passing off. The Defendant's challenge to the said decision of the Learned Single Judge was rejected by the Appeal Court (Coram: Mohit Shah, C.J. and Jamdar, J.) by its order dated 13th August, 2012.

4. Prior to the filing of the above Suit by the Plaintiff against the Defendant, the Defendant had applied for registration of the design applied to their washing machine "Videocon Pebble", which registration was granted.

5. Thereafter on 2nd November, 2012, the Defendant preferred a Special Leave Petition against the decision of the Division Bench dated 13 th August, KPPNair -4- NMS 2269 OF 2012 2012. In the SLP the Defendant contended that no suit for infringement of design could lie against them since they had secured design registration and also that an action for passing off could not lie in respect of a registered design.

These questions had in a different case been answered by the Full Bench of the Hon'ble Delhi High Court (in a majority decision of Sanjay Kishan Kaul and Rajiv Shakdhar, JJ.) which held that (i) a suit for infringement would lie against a registered proprietor; and (ii) an action for passing off was also maintainable in respect of a registered design. The Learned dissenting Judge (Manmohan Singh, J.) held that neither could a suit for infringement of a registered design lie against another registered proprietor nor was an action for passing of maintainable in respect of a registered design. At the hearing of the SLP, it was therefore contended that as these questions also arose in the present case, they ought to be examined and decided by the Hon'ble Supreme court. The Plaintiff pointed out that these issues had not been raised before this Court (the Defendant having obtained design registration after the Division Bench judgement) and therefore had not been considered in the decisions of the learned Single Judge and the learned Division Bench. The present Notice of Motion was yet to be decided. The Hon'ble Supreme Court therefore was of the view that it would be appropriate to await the decision of this Court inter alia on these questions of law and therefore deferred the hearing of the SLP. It is in this background that the Notice of Motion has been taken up for hearing. The Defendant has before this Court expressly conceded that an action for passing off can be maintained in respect of a registered design.

KPPNair -5- NMS 2269 OF 2012

6. The first issue therefore, that needs to be decided by this Court in the present Notice of Motion is whether, as a matter of law, a suit for infringement can lie against a Defendant who is also a registered proprietor?. The Plaintiff submitted that a suit for infringement can lie against a Defendant who is also a registered proprietor whereas the Defendant contended otherwise. The submissions on this issue advanced on behalf of both the parties mainly pertain to the interpretation to be given to the words "any person" used in Section 22 of the Designs Act, 2000 ("the Act").

7. In support of its contention that a suit for infringement is maintainable against the Defendant who is also a registered proprietor, the Plaintiff made several submissions which are briefly set out hereunder:

(I) a plain reading of Section 22 of the Act (and sub-sections (1) and (2) in particular) makes it apparent that the mandate/embargo contained therein is applicable and/or directed against any person.

(ii) It does not require elaboration that the expression 'any person' is of the widest amplitude and scope. Where the Legislature uses the expression 'any person', the Legislative intent is obvious viz. to cast the net as wide as possible.

(iii) On its plain and ordinary meaning, the language of Section 22, clearly

KPPNair

-6-

indicates that a suit for infringement of a registered design lies against 'any person'. This would include a registered proprietor.

(iv) Upon examination of the said Act in its entirety, it is apparent that the said Act confers and/or recognizes the primacy of the High Court over a decision of the Controller, on the issue of whether the registration of a design is valid and/or proper and/or lawful or liable to be invalidated. Therefore the argument of the Defendant that where a Defendant puts forth in defence in an infringement suit, the factum of registration (no matter how illegal, absurd, shocking or fraudulent it may be), the High Court is powerless to examine the validity of the Defendant's registration before it and must await the decision by the Controller (on an application for cancellation) cannot be accepted and defies logic.

(v) The registration of a design by the Controller is at best prima facie and a person against whom it is asserted can assail the same before the Court before whom the adversarial party sets it up. In support of this contention, the Plaintiff has relied on the decisions in (i) Quadar Bakhsh vs. Gulam Ahmed¹; (ii) Dwarkadas Dhanji Shah vs. Chottalal Ravi Karandas ²; and Kemp & Co. vs. Prima Plastics³.

1AIR 1934 Lahore 709 2AIR 1941 Bom 188 31999 Vol. 101 (1) Bom LR 65 KPPNair -7- NMS 2269 OF 2012

(vi) The Trade Marks Act (Act of 1958 and Act of 1999) by use of the expression "a person who, not being a registered proprietor...." in Section 29 has excluded the registered proprietor from the definition of infringement. Had the Legislature intended to exclude from within the scope of infringement a registered proprietor under the Designs Act, the Legislature while enacting Section 22 would not have used the expression 'any person' and would have after the expression 'any person' added the words 'not being a registered proprietor'. Therefore the action for infringement under Section 22 of the Act would lie against any person whether it be a registered proprietor or not.

(vii) The expression 'any person' found in Sections 17, 19 and 41 of the Act makes it evident that the said expression must be given a plain, natural and ordinary meaning and includes even the registered proprietor.

(viii) Where the Legislature intended to draw a distinction between a registered proprietor and somebody else, the Legislature consciously used clear words/expression such as 'other than', 'any other person', or 'some other person'.

(ix) The submission of the Defendant based on Section 11 of the Act that the registration of a design secures to the registered proprietor copyright therein and the use of such registered design by a registered proprietor can never be considered to be unlawful is clearly fallacious and wholly ignores the qualification set out in the said Section viz. subject to the provisions of the Act' which means any registration of a design which may be granted is, at all KPPNair -8- NMS 2269 OF 2012 material times, 'subject to the provisions of the Act'. In other words, if other provisions of the Act invalidate the registration, then this must follow.

(x) If an action for infringement could never be filed against a registered proprietor, there is no question of a defence under Section 19 (1) (a) of the Act being taken up in an infringement action. The presence of Section 19 (1) (a) read with Section 22 (3) is therefore a clear pointer to the legislative intent viz.

that one of the defences which may be raised in an infringement action is the prior registration of the design by the Defendant. The Defendant's contention that such a suit for infringement against the registered proprietor is not contemplated by the Act is therefore incorrect.

(xii) The submission that a Court can examine the validity of the Plaintiff's registration but not examine the Defendant's registration is conceptually illogical. It creates two separate categories with

no rationale or justification for doing so. Where the Plaintiff puts forth the registration, this the Court can examine. Where on the other hand the Defendant does so likewise, this the Court cannot. Such a construction is plainly incongruous. The obvious fallacy in this line of reasoning is more apparent when one considers that the scheme of the Act is that the grant of a registration is only prima facie evidence of validity and the correctness of validity of the registration can be examined by a Court, whenever and by whoever the registration is raised, either as an instrument of offence or as an instrument of defence.

KPPNair

-9-

(xii) The contention that the availability of a remedy under Section 19 of the

Act amounts to a negation and an exclusion of remedy under Section 22 of the Act is plainly incorrect.

(xiii) The expression 'ground of defence' is not limited to a defence of suit but must be understood to mean ground of defence to the registration which is set up. If the expression ground of defence is understood to mean ground of defence to the registration which is raised, the same completely avoids any anomalous consequences, which flow from the argument raised by the Defendant. In other words, if the Plaintiff asserts a registration, the Defendant can resist/challenge (i.e. defend) itself against that registration by relying upon all the defences under Section 19 of the Act. So also where the Defendant seeks to raise its registration as a defence, the Plaintiff can resist/assail (i.e. defend) itself against the Defendant's registration by relying upon the same defences.

This construction is more equitable, logical, does not produce any anomalies and places both litigants on equal footing.

(xiv) It is settled law that a statute ought to be interpreted having regard to the purpose and object which it seeks to achieve. If a particular Section can be interpreted in two different meanings, it is trite that in such an event the rule of purposive construction should be taken recourse to, where literal interpretation of a provision yields to absurdity or manifest injustice the same must be avoided. Interpretation must depend on the text and the context. If the text is the texture, context gives the color. Neither can be ignored. The interpretation which is required to be adopted is one which matches with the context. In KPPNair -10- NMS 2269 OF 2012 support of this contention, the Plaintiff has relied upon the decisions of the Hon'ble Apex Court in Reserve Bank of India vs. Peerless General Finance & Investment Co. Ltd. & Ors.⁴ and High Court of Gujarat & Another vs. Gujarat Kishan Mazdoor Panchayat & Ors.⁵.

(xv) The following judgments have held that a suit for infringement is maintainable against a registered proprietor, Tobu Enterprises Pvt. Ltd. vs. Joginder Metal Works and another ⁶ ; Alert India v. Naveen Plastics⁷; Vikas Jain v.

Aftab Ahmed and others⁸; Dabur India v. Amit Jain and another ⁹, and the majority decision of the Full Bench.

In the circumstances it is submitted on behalf of the Plaintiff that a suit for infringement can lie against the registered proprietor.

8. The submissions advanced by the Defendant - Videocon Industries Ltd. in support of its contention that the Defendant being the registered proprietor of its design cannot be sued for infringement of registered design, are briefly set out hereunder:

(i) On a conjoint reading of Section 11 with Section 2 (c) of the Act, it is clear that the statute itself has prescribed an exclusive right in every registered proprietor of a design to exclusively use such design upon and in relation to the article in respect of which it is registered. It is settled principle of law that when a statute provides for a right only subsequent enactments/amendment in respect 4(1987) 1 SCC 424 @para 33 5(2003) 4 SCC 712 @paras 29, 30, 31, 33, 42 and 49 6AIR 1985 Del 244 (paras 6 to 9);

71997 PTC 17 (paras 2, 28, 30 and 31) 8 2008 (37) PTC Del (paras 13 and 14) 92009 (39) PTC 104 (Del.) (paras 2 and 22) KPPNair -11- NMS 2269 OF 2012 thereof can take away such right. In other words, a Court of law does not have the power or authority to take away such a right.

(ii) The Plaintiff in contending that Section 22 (1) of the Act would include the registered proprietor and that a Suit can be filed against a registered proprietor of the design is in other words is asking this Court to re-write the words in Section 22 (1) of the Act as any person including a registered proprietor.

(iii) Since by virtue of Section 11 read with Section 2 (c) of the Act, the Defendant has the exclusive right to use its registered design, the only manner of reading the words 'any person' would be to exclude 'registered proprietor' and that no infringement proceeding can lie against the registered proprietor.

(iv) The Legislature, wherever necessary, has distinguished between the words 'any person' and 'registered proprietor'. This is apparent from Section 22 (1) (a) which requires any person to obtain a license or written consent of the registered proprietor. A license or written consent of the registered proprietor can be obtained only by a person other than a registered proprietor.

(v) Although there is no parallel provision in the Act as in Section 30 (2) (e) of the Trade Marks Act, 1999, the same is irrelevant as Section 11 read with Section 2 (c) of the Act gives exclusive right to the proprietor of the registered design to use his design on his article and this right cannot be taken away except by the statute itself.

(vi) The Act does not discriminate between prior and subsequent registration of a design. In other words, a party who may have acquired registration of its KPPNair -12- NMS 2269 OF 2012 design

prior in point of time cannot be placed on a higher pedestal than any party who has also acquired registration of its design, albeit subsequently.

Therefore the fact that the Plaintiff has secured its design registration prior to that of Defendant is inconsequential to the present proceedings.

(vii) Under Chapter II of the Act, the Controller has exclusive jurisdiction in respect of registration of designs and the jurisdiction of the Civil Courts is barred. Further, under Section 19 of the Act, the Controller has the exclusive jurisdiction to entertain a challenge to a registered proprietor's design. The Controller does have the discretion under Section 19 (2) of the Act to refer the cancellation petition filed before it to the High Court and it is only then that the High Court can decide the cancellation petition so referred.

(viii) Section 22 (3) of the Act is the only Section conferring a right on the Defendant to ask the Civil Court to decide upon the validity of the Plaintiff's registered design.

(ix) It is well settled that when an Act creates an obligation and enforces the performance of the obligation in a particular manner, it can be performed only in that manner and cannot be enforced in any other manner. In support of this contention the Defendant has relied on the judgment of Privy Council in *Nazir Ahmad vs. King Emperor*¹⁰

(x) Prior to the enactment of the said Act, the Civil Court had the jurisdiction to decide upon the registration of designs and the cancellation of registration.

Under the said Act, the exclusive jurisdiction for cancellation/challenge to the ¹⁰AIR 1936 pg. 253 @ pg. 257 Vol. 2 KPPNair -13- NMS 2269 OF 2012 registered proprietor's design is now vested upon the Controller except to the limited extent specially provided by the Act and only a subsequent enactment can take away such power and not otherwise. The Defendant has relied on the decisions of the Hon'ble Supreme Court in *Garikapati vs. Subbhiah Choudhary*¹¹;

M/s. East India Corporation Ltd. v. Shree Meenakshi Mills Ltd. ¹²; *Premier Automobiles Ltd. vs. Kamlekar Shantaram Wadke*¹³.

(xi) Though in a suit for infringement of design, the Defendant can challenge the validity of the Plaintiff's registration as provided under Section 22 (3) of the Act on the grounds provided in Section 19 of the Act, the Plaintiff cannot invoke Section 22 of the Act to challenge the validity of a Defendant's registered design and such an interpretation would be contrary to the object and intent of the Legislature in introducing Section 22 (3) of the Act. In fact, the statement of objects and reasons (clause (n) clearly states that the bill "contains provisions for grounds of cancellation to be taken as defence in the infringement proceedings to be initiated in any court not below the court of the District Judge". To argue that the word 'defence' in Section 22 (3) means "defence" also available to the Plaintiff (when the Defendant challenges the Plaintiff's registration in the infringement proceedings) is untenable.

(xii) Therefore under Section 22 (3) of the Act, it is only the validity of the Plaintiff's registered design which can be challenged as and by way of defence and not the Defendant's registered design which can only be challenged by 11AIR 1957 SC 540 at para 23 (ii) and (v) 12AIR 1991 SC 1094 at paras 6-8 13 (1976) 1 SCC 496 at paras 10 to 12 and 15 KPPNair -14- NMS 2269 OF 2012 proceedings under Section 19 of the Act before the Controller.

(xiii) The argument advanced on behalf of the Plaintiff that the Court in making a literal interpretation of Section 22 (3) of the Act and restricting the challenge to a registered design as and by way of defence would lead to an absurd result as registration granted under the scheme of the Act is a rebuttable presumption and applies to both the Plaintiff and the Defendant is untenable in the context of the Act and in particular Section 22 (3) of the Act where the language is plain and unambiguous and where only the validity of the Plaintiff's registered design can be challenged as and by way of defence to an action of infringement and such an interpretation does not result in any absurdity.

(xiv) There is no scope for the Court to innovate or take upon itself the task of amending or altering the statutory provisions or reading the words into it which are not there. It is also not permissible for the Court to re-write the Section or substitute the words of its own for the actual words employed by the Legislature in the name of giving effect to the supposed underlying object. In support of its contention, the Defendant relied on the decisions of the Hon'ble Supreme Court in Union of India vs. Deoki Nandan Aggarwal¹⁴; J.P. Bansal vs. State of Rajasthan¹⁵;

C.I.T. vs. N.C. Budharaja and Co. ¹⁶.

(xv) In the Full Bench judgement of the Hon'ble Delhi High Court in Mohan Lal, proprietor of Moria Industries vs. Sona Paint and Hardwares, the majority judgment has failed to consider the provisions of Section 22 (3) of the Act which 141992 Supp (1) SCC 323 at para 14 15 (2003) 5 SCC 134 at paras 14-16 16 1994 Supp (1) SCC at para 13 KPPNair -15- NMS 2269 OF 2012 restricted the powers of the Civil Court to test the validity of the design to the extent that the same is available as a ground of defence and not otherwise.

Further the majority judgment has not considered the provisions of Section 11 read with Section 2 (c) of the Act which expressly provided that a registered proprietor has the exclusive right to apply the registered design on his articles.

In the minority decision, the learned Judge has upon observing the Act to be a self-contained Code, held in para 11 that the power of Civil Court under Section 22 (3) of the Act to test the validity of the design is limited to the extent the same is available as a ground of defence and not otherwise. The learned Judge also held in para 24 that the power to cancel a registered design exclusively vests with the Controller being a specialized Tribunal as per Section 19 of the Act except to the extent it is permissible for the Civil Court to entertain invalidity of the Plaintiff's registered design under the provisions of Section 22 (3) of the Act in an infringement proceeding. The minority view of the Full Bench in that decision viz. that the suit for infringement of registered design by one registered proprietor against another does not lie ought to be the preferred view. It is therefore submitted that

the suit filed by the Plaintiff against the Defendant alleging infringement of the Plaintiff's registered design is not maintainable since the Defendant too is the registered proprietor of its design.

9. I have considered the above submissions of the parties on the issue as to whether a suit for infringement is maintainable against the Defendant who is also a registered proprietor.

KPPNair -16- NMS 2269 OF 2012

10. The process of registration of designs, maintaining a Register of Designs, the rights acquired upon registration, the permissible challenge to such registrations and the consequence of piracy/infringement of a registered design is provided in the Act and is very briefly set out hereunder :

11. Any person claiming to be the proprietor of any new or original design not previously published in any country and which is not contrary to public order or morality may apply to the Controller - General of Patents, Designs and Trade Marks ("Controller") seeking registration of such design under the Act. As provided in Section 5 of the Act, the Controller shall before such registration refer the application for examination, by an examiner appointed under sub-

section (2) of Section 3 of the Act, as to ascertain whether such design is capable of being registered under the Act and the Rules made thereunder and consider the report of the examiner on such reference. The Controller may register such design or may refuse to register the same. Any person aggrieved by such refusal has a right to appeal to the High Court. A design when registered shall be registered as of the date of the application for registration.

12. Thereafter under Section 7 of the Act, the Controller shall cause publication of the prescribed particulars of the design and after such publication the design is made open to public inspection. The Controller shall also under Section 9 of the Act grant a certificate of registration to the proprietor of the KPPNair -17- NMS 2269 OF 2012 design when registered and as provided under Section 10 of the Act he shall enter the names and addresses of the proprietors of registered designs, which register may be maintained wholly or partly on computer floppies or diskettes, subject to such safeguards as may be prescribed. Section 10 (4) of the Act provides that the register of designs shall be prima facie evidence of any matter by this Act directed or authorized to be entered therein. Section 11 of the Act prescribes that when a design is registered, the registered proprietor of the design shall, subject to the provisions of the Act, have copyright in the design for ten years from the date of registration. Section 2(c) provides that "copyright means the exclusive right to apply a design to any article in any class in which the design is registered. Section 17 of the Act provides that during the existence of copyright in a design, any person on furnishing such information as may enable the Controller to identify the design and on payment of the prescribed fee may inspect the design in the prescribed manner and may also obtain a certified copy of any registered design.

13. Section 19 of the Act provides that any person interested may present a petition for the cancellation of the registration of a design at any time after the registration of the design to the Controller on any of the following grounds, namely:

"(a) that the design has been previously registered in India; or

(b) that it has been published in India or in any other country prior to the date of registration; or KPPNair -18- NMS 2269 OF 2012

(c) that the design is not a new or original design; or

(d) that the design is not registerable under this Act; or

(e) that it is not a design as defined under clause (d) of Section 2.

Sub-section (2) of Section 19 of the Act provides that from any order of the Controller under the said Section, an Appeal shall lie to the High Court and even otherwise the Controller has the power to refer any such petition for cancellation received by him to the High Court and upon such reference by the Controller, the High Court shall decide any petition so referred.

14. As stated hereinabove, the submissions on the issue as to whether a suit for infringement can lie/is maintainable against the Defendant who is also a registered proprietor mainly pertain to the interpretation to be given to the words 'any person' used in Section 22 of the Act. Section 22 of the Act falls in Chapter V of the Act titled "LEGAL PROCEEDINGS" and prescribes what constitutes piracy/infringement of registered design. The same is reproduced hereunder:

"22. Piracy of registered design.- (1) During the existence of copyright in any design it shall not be lawful for any person - for the purpose of sale to apply or cause to be applied to any arti-

cle in any class of articles in which the design is registered, the de- sign or any fraudulent or obvious imitation thereof, except with the license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or to import for the purposes of sale, without the consent of the regis- tered proprietor, any article belonging to the class in which the de-

KPPNair -19- NMS 2269 OF 2012 sign has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof, or 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:

Provided further that no suit or any other proceeding for relief under this subsection shall be instituted in any court below the court of District Judge.

(3) In any suit or any other proceeding for relief under 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 or which the registration of a design may be cancelled under section 19 has been availed of as a KPPNair -20- NMS 2269 OF 2012 ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceedings shall be transferred by the Court in which the suit or such other proceeding is pending, to the High Court for decision.

(5) When the court makes a decree in a suit under sub-section (2), it shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs."

14.1 Sub-section (1) of Section 22 of the Act prohibits what cannot be done in law by 'any person' during the existence of copyright in any design of a registered proprietor as provided in sub-clauses (a), (b) and (c) of Section 22 of the Act without the consent of the registered proprietor of such design. This shows that the infringement has to be of a registered design.

14.2 Sub-section (2) of Section 22 of the Act provides that if ' any person' acts in contravention of Section 22 of the Act, he shall for such contravention face the consequences viz. payment of damages, and an order of injunction from repeating such infringement as set out in clauses (a) and (b) and the proviso to sub-section (2) of Section 22 of the Act.

14.3 Sub-section (3) of Section 22 of the Act provides that in any suit or any other proceedings 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.

15. Section 22 of the Act thus gives the registered proprietor a right to relief against "any person" who applies the design of the registered proprietor to any article of the class of articles in which the design is registered. The words "

KPPNair -21- NMS 2269 OF 2012 any person", which are used without any words of limitation, ordinarily must be given their plain and natural meaning - namely, any person whosoever - unless

the statute compels by reason of the context in which the words "any person"

are used or by reason of the other provisions of the Act to restrict the meaning of the words to "any person other than a registered proprietor".

16. The Defendant has submitted that by virtue of Section 11 read with Section 2 (c) of the Act, the Defendant has the exclusive right to use its registered design, and the only manner of reading the words 'any person' would be to exclude 'registered proprietor' and that no infringement proceeding can lie against the registered proprietor, since the Court of law does not have the power or authority to take away such a right. The submission is clearly fallacious when one considers the language of Section 11 of the Act. Section 11 qualifies the copyright on registration, granted thereby, with the words 'subject to the provisions of the Act'. In other words, any registration of a design which may be granted is at all material times 'subject to the provisions of the Act'. In other words, if other provisions of the Act provide for cancellation of such registration or empowers the Controller/Court to cancel the registration of a design or reach a finding that the registration of a design is not valid and the use of such design amounts to infringement of a validly registered design of another, and upon invocation of such provisions the Court passes orders against the registration of a design, the registration granted under Section 11 would become ineffective.

The Defendant's argument wholly ignores these words of qualification viz.

'subject to the provisions of the Act'. It is therefore clear that a registered design KPPNair -22- NMS 2269 OF 2012 can be cancelled and/or the registration set aside or the registered proprietor can be restrained by an order of injunction from using such design either by the Controller under Section 19 of the Act or under Section 22 of the Act by the High Court in accordance with the circumstances in a case/matter.

17. It is necessary to understand what right is conferred on the registrant of a design under the Act and then analyze the provisions of Section 22 in the light of such right. Section 11 provides that the registered proprietor of a design shall have copyright in the design for ten years commencing from the date of registration - meaning thereby, the exclusive right to apply the design to any article in the class in which the design is registered. But such exclusive right is, as noted above, "subject to the provisions of the Act". These provisions include Section 4 (which contains a prohibition for registration on certain grounds), Section 6 (registration to be in respect of particular article) and Section 19 (cancellation of registration on certain grounds which include grounds under Section 4). Section 22 itself is one of the provisions to which such exclusive right is subject and this has distinct implications for a registered proprietor - whether such proprietor be a Plaintiff or a Defendant. From the Plaintiff's point of view, the exclusive right which a registered proprietor can claim against "any person" and on the strength of which he can claim relief under Section 22 against such person, is itself subject to the restriction contained in sub-section (3) of Section 22, namely, the Plaintiff - proprietor's registration should not be liable to be cancelled under Section 19 of the Act. If it is held to be so liable, that is a complete defence to the Plaintiff - Proprietor's KPPNair -23- NMS 2269 OF 2012 action for claiming relief under Section 22. Equally would the provisions of Section 22 be a restriction on the Defendant - Proprietor's exclusive right to apply his registered design to his

articles. The Defendant - proprietor would have a complete defence to the Plaintiff - Proprietor's action only if his (the Defendant's) registration is prior in point of time, since such prior registration is a ground for cancellation of the Plaintiff's registration. A Defendant proprietor, who holds a subsequent registration cannot plead his subsequent registration in defence to an action under Section 22, since a subsequent registration is no defence within the meaning of Section 22 (3) read with Section 19. That is an obvious consequence of Section 22 from the defendant's point of view. Just as a Plaintiff cannot claim a right to relief under Section 22 against a prior registered proprietor on the basis of his (the Plaintiff's) registration, the defendant cannot successfully defend an action under Section 22 by a prior registered proprietor on the basis of his (the defendant's) registration. That clearly appears to be the scheme of the Act. This Scheme is not only based on sound reason and common sense but is perfectly in consonance with the very nature of a copyright claim in a design. It, therefore, cannot be argued that Section 22 (3) has implications only for the Plaintiff's registration and not for the Defendant's registration. The Court may consider both the Plaintiff's and the Defendant's registrations in the light of Section 22 (3) and grant or reject the relief to a Plaintiff depending on whose registration is prior in point of time. Upon such determination, the decision may have to be sent to the Controller, who shall cause an entry to be made accordingly in the Register qua the Plaintiff's or the Defendant's KPPNair -24- NMS 2269 OF 2012 registration, as the case may be. The submission of the Defendant that a Court can examine the validity of the Plaintiff's registration but not examine the Defendant's registration apart from being unacceptable for reasons set out above is conceptually illogical. As correctly submitted by the Plaintiff, it creates two separate categories with no rationale or justification for doing so. Where the Plaintiff puts forth the registration, this the Court can examine. Where on the other hand the Defendant does so likewise, this the Court cannot. Such a construction is plainly incongruous.

18. It is submitted by the Defendant that Section 22(1)(a) requires 'any person' to obtain a license or written consent from the registered proprietor if such person wants to apply the registered design to his articles. It is submitted that a license or written consent can be obtained only by a person other than a registered proprietor or in other words, a registered proprietor cannot be expected to obtain a license or written consent of another registered proprietor to use his own design. This aspect of the matter has also weighed with the dissenting judge of the Delhi High Court Full Bench and needs to be briefly dealt with. The submission in this regard may briefly be summarized as follows:

(a) The opening words "during the existence of copyright in any design" and "it shall not be lawful for any person" (to do acts referred to therein) suggest that there are two categories - one "the registered proprietor" and another "any person" for whom it shall not be lawful to do acts referred to in Section 22(1) without the consent of the registered proprietor; and

(b) Such "any person" who is a registered proprietor himself cannot do an KPPNair -25- NMS 2269 OF 2012 unlawful act of applying the design and for whom the consent of the other registered proprietor cannot be a sine qua non for such application. The submission misses the essential point. Section 22 (1) does not talk of two classes of persons i.e. registered proprietors and other persons. Section 22 (1) talks of "the registered proprietor" and "any person" i.e. every person other than "the

registered proprietor" himself. No person can apply the design of "the registered proprietor" without the latter's license or consent and this includes even a subsequent registered proprietor. Such subsequent registered proprietor could not have, as explained above, in the first place applied for registration in view of the previous registration of the first registered proprietor and in any event could not successfully set up his own subsequent registration in defence to an action by the first registered proprietor under Section 22.

19. In support of its contention that the Defendant's registered design can only be challenged by proceedings under Section 19 of the Act before the Controller, the Defendant would argue that the availability of a remedy under Section 19 of the Act for cancellation of a registered design amounts to a negation and exclusion of remedy under Section 22 of the Act. This is plainly incorrect. Section 19 and Section 22 of the Act operate independently in different circumstances. Section 19 of the Act is invoked to seek cancellation of a registration of a design. Section 22 of the Act is invoked where a registered design of a proprietor is infringed by any person and the registered proprietor seeks reliefs in the form of damages, injunction, etc. against the infringer. Such relief can be sought even against a registered proprietor of a design by KPPNair -26- NMS 2269 OF 2012 questioning his registration. The Defendant too can submit that the Plaintiff is not entitled to any relief in terms of damages, injunction etc. by questioning the registration of the Plaintiff's on grounds available under Section 19 of the Act for cancellation of a registration. Again, Section 19 entitles a party to move the Controller for cancellation of a design even where the registered proprietor is not using the design. Section 19 therefore affords a cause of action where a mere registration is considered objectionable and a mere factum of registration affords a cause of action. In marked contrast, Section 22 of the Act affords a cause of action only where a registered design is being applied or caused to be applied to any article for the purposes of sale or in relation to or in connection with such sale. Consequently if a registered proprietor does not apply his design to an article for sale or in connection with such sale, another registered proprietor cannot have recourse to Section 22 of the Act. The remedy under Section 22 of the Act is only available where the impugned design is being used.

A further distinction between Section 19 and 22 of the Act, as correctly pointed out on behalf of the Plaintiff is that while Section 19 is applicable to 'any person interested', Section 22 is available only to a small segment of such person viz.

registered proprietors. The remedy under Section 19 and the remedy under Section 22 are therefore very different. They apply to different persons in different circumstances and for different reliefs.

20. Therefore as already held hereinabove, on a plain reading of Section 22 of the Act and sub-sections (1) to (3) in particular, it is clearly indicated that the suit for infringement of a registered design lies against any person which would KPPNair -27- NMS 2269 OF 2012 include a registered proprietor and the submissions advanced by the Defendants to the contrary cannot be accepted. The case law cited on behalf of the Defendant also lends no support to their submission.

21. Apart from the fact that as stated hereinabove, a plain reading of Section 22 of the Act establishes beyond any doubt that a suit for infringement by a registered proprietor lies against any

person including a registered proprietor, even otherwise the Legislative intent is also clear from the following:

(i) In Section 29 (1), 29 (2) and 29 (4) of the Trade Marks Act, 1999, the Legislature has used the expression "a person who, not being a registered proprietor....". A similar exclusion against a registered proprietor is to be found in Section 29 of the Trade Marks Act, 1958. The Trade Marks acts (Act of 1958 and Act of 1999) therefore by use of express, clear and unequivocal words of exclusion, exclude a registered proprietor from the definition of infringement. It is inconceivable that the Legislature while enacting the said Act was unmindful of the fact that a similar legislation dealing with other intellectual property rights contained express words of exclusion. Had the Legislature intended to exclude from within the scope of infringement a registered proprietor, the Legislature, whilst enacting Section 22 would not have used the expression 'any person' (which is of a very wide scope); and would in any event have added after the expression 'any person' the words 'not being a registered proprietor'.

The Legislative intent is therefore clear viz. that an action for infringement would lie against any person, whether it be a registered proprietor or not.

(ii) The expression 'any person' found in Sections 17, 19 and 41 of the Act

KPPNair

-28-

makes it evident that the said expression must be given a plain, natural and ordinary meaning and includes even the registered proprietor.

(iii) In Section 16 of the Act the expression 'any person other than the proprietor of the design' is used. Therefore, where the Legislature intended to exclude the proprietor, it specifically said so by using the qualifying words 'other than'. These words are absent in Section 22 of the Act. Had the Legislature intended to exclude registered proprietor from Section 22 of the Act, it would have used the expression 'any person other than the registered proprietor'. This was consciously not done. This argument is reinforced by the fact that at several places (Sections 2 (j), 34, 40, etc.) the statute uses different expressions such as 'any other person' or 'some other person'. Hence, where the Legislature intended to draw a distinction between a registered proprietor and somebody else, the Legislature consciously used clear words.

23. For the reasons discussed above, I am of the considered view that a registered proprietor of a design can under Section 22 of the Act file a suit for infringement against a registered proprietor of a design.

24. The next issue which needs to be determined by this Court is whether the Plaintiff has made out a case for infringement on merits.

25. Section 22 (1) of the Act defines what constitutes piracy of a registered design. Under the Act, the use of either the registered design or a fraudulent or obvious imitation thereof by the Defendant amounts to an act of piracy and/or infringement.

26. The question of what tests are to be applied in deciding what constitutes KPPNair -29- NMS 2269 OF 2012 an obvious imitation and/or is actionable is no longer res integra. This question has been considered in several judicial pronouncements. The leading decisions on the point are the decisions in the case of Castrol India Limited vs. Tide Water Oil Co.(I) Limited¹⁷ and Kemp & Co. vs. Prima Plastics Limited¹⁸. In both the decisions, the Kolkata High Court and the Bombay High Court have laid down the following propositions as constituting the test to decide whether there is obvious imitation and/or piracy of a registered design.

Castrol India Limited vs. Tide Water Oil Co.(I) Limited:(supra)

(i) The word 'imitation' does not mean 'duplication' in the sense that the copy complained of need not be an exact replica.

(ii) The Court is required to see in particular as to whether the essential part or the basis of the Plaintiff's claim for novelty forms part of the infringing copy.

(iii) The similarity or difference is to be judged through the eye alone and where the article in respect of which the design is applied is itself the object of purchase, through the eye of the purchaser.

(iv) The Court must address its mind as to whether the design adopted by the Defendant was substantially different from the design which was registered. The Court ought to consider the rival designs as a whole to see whether the impugned design is substantially different from the design sought to be enforced. (The test laid down on Benchchairs Ltd. C. Chair Center Ltd.¹⁹ was cited with approval).

171996 PTC (16) 202
18Vol. 101 (1) BLR 65
191974 RPC 429

KPPNair

- 30 -

(v) 'Obvious' means something which, as soon as one looks at it, strikes one

as being so like the original design/the registered design, as to be almost unmistakable. Fraudulent imitation is an imitation which is based upon, and deliberately based upon, the registered design and is an imitation which may be less apparent than obvious imitation, that is to say, one may have a more subtle distinction between the registered design and a fraudulent imitation and yet the fraudulent imitation, although it is different in some respects from the original, and in respects which render it not obviously an imitation may yet be an imitation perceptible when the two designs are closely scanned and accordingly amounts to infringement. (The test laid down in *Dunlop Rubber Co. Ltd. v. Golf Ball Developments Ltd.*²⁰ was cited with approval.

Kemp & Co. vs. Prima Plastics Limited: (supra)

(i) If the visual features of shape, configuration pattern designs are similar or strikingly similar to the eye, it is not necessary that the two designs must be exactly identical and same. The matter must be looked at as one of substance and essential features of the designs ought to be considered.

(ii) In a given case, where the registered design is made up of a pattern which has no one striking feature in it, but it appeals to the eye as a whole, it may very well be that another design may be an imitation of it which makes the same appeal to the eye notwithstanding that there are many differences in the details. (The opinion of Farwell J. in *Dunlop Rubber Co. Ltd. vs. Golf Ball Developments Ltd.*²¹ was cited with approval).

20(1931) XLVIII RPC 279

21(1931) XLVIII RPC 279)

KPPNair

- 31 -

(iii) In comparing rival designs the Court is required to see

impugned design/product is substantially different to the design which is sought to be enforced.

The aforesaid tests have been independently applied and/or followed in a series of judgments of various High Courts, including judgments in *JN Electricals (India) vs. M/s. President Electricals*²²; *Alert India vs. Naveen Plastics*²³; *Hindustan Sanitaryware v. Dip Craft Industries*²⁴, and *Dabur*

India v. Amit Jain & Anr.25

27. The principle which clearly emerges from the above is that the test in deciding such matters is : "judged solely by the eye are the essential features present or are the two substantially different".

28. The Defendant has claimed that the registered design of its washing machine is substantially different from the registered design of the Plaintiff's washing machine.

29. The Plaintiff has in the plaint and in the Affidavit in Rejoinder set out a comparative analysis of the common features and similarities of the Defendant's product with the Plaintiff's registered designs, similarity between Plaintiff's registered designs and Defendant's registered design, similarity between Plaintiff's product and Defendant's product, and similarity between essential features of Plaintiff's machine and Defendant's machine.

30. For a ready reference and convenience, the following is set out/reproduced hereunder:

22ILR 1980 (1) Del 215 (paras 24-25) 231997 PTC 17 (para 36) 242003 (26) PTC 163 (Del) (Para 8) 252009 (39) PTC 104 (Del) (DB) KPPNair -32- NMS 2269 OF 2012

(a) The exact look/appearance of the Plaintiff's machine including the pattern and placement of the two colours captured in a photograph:

(b) Photographs of the Defendant's machine KPPNair -33- NMS 2269 OF 2012 (c) Comparison of the Defendant's product and the registered designs of the Plaintiff.

KPPNair -34- NMS 2269 OF 2012

(d) Comparison of the Defendant's product with the Plaintiff's product.

31. A look at the above comparative charts along with the charts set out/annexed to the Plaintiff and the affidavit in rejoinder of the Plaintiff giving a comparative analysis of the common features and similarities of the Defendant's product and the Plaintiff's registered designs establishes beyond any doubt that the Defendant has slavishly/brazenly copied/imitated the Plaintiff's design which clearly satisfies the test for infringement and/or piracy as laid down in the judgments in Castrol (supra) and Kemp (supra). Therefore, by no stretch of imagination, can it be said that the Defendant's products are substantially different from the Plaintiff's registered design.

32. The Defendant has prepared a tabular statement which attempts to KPPNair -35- NMS 2269 OF 2012 highlight differences between the Plaintiff's design and/or the Defendant's products. The differences sought to be highlighted by the Defendant in a tabular statement have been perused by me. The same are trivial and are not sufficient to avoid a finding of piracy and/or copying. As correctly submitted on behalf of the Plaintiff, if such minor differences are held to be sufficient enough to avoid a finding of infringement, then it will be almost impossible for any Plaintiff to succeed, since a skillful defendant will knowingly make some cosmetic and minor changes in its

products. In view thereof the submissions made on behalf of the Defendant that the Defendant has satisfied the test laid down in the judgments in *Best Products vs. Woolworths*²⁶ and *Benchchairs Ltd. vs. Chair Centre Ltd.*²⁷ for determining whether there is a substantial difference between the two products and that the judgments relied upon by the Plaintiff cannot be made applicable to the present case are untenable and cannot be accepted. In fact, the decision in *Best Products* (supra) lends credence to the proposition of the Plaintiff that when the Plaintiff's registration are compared with the Defendant's products, irrelevant features are to be ignored and what is required to be compared are its essential features.

33. Although both sides have placed before the Court material in the form of comparative charts highlighting the similarities and/or dissimilarities, these are really not determinative of the matter. What is important and relevant is the assessment of the Court on an examination of the Defendant's product and 26 (1964) RPC 215 at 224-225 and (1964) RPC 226 at 231-232 27 (1974) RPC 429 at 442-446 KPPNair -36- NMS 2269 OF 2012 comparing the same with the Plaintiff's designs. For this purpose, throughout the hearing, the Plaintiff had produced and kept in court, for the visual examination of the Court, the Plaintiff's as well as the Defendant's washing machines. The said machine of the Defendant was an almost total replica of the Plaintiff's design barring one or two minor variations, example, on the control panel instead of three knobs (which is the case in the Plaintiff's design), the Defendant had in its product three knobs and one outlet point. This does not detract from the overall identity of the two. In fact, as submitted by the Defendant, this is what the House of Lords has frowned upon in the case of *Designers Guild Limited vs. Russell Williams (Textile Limited)*²⁸ by describing it as 'altered copying'. In the said House of Lord's judgment in the said *Designers Guild* case, the Court concluded by observing thus:

"If the similarities between the two were sufficient to justify the interference that one had been copied from the other, there was, in my judgment no further part for the concept of substantiality to play".

In other words, once the Court concludes that there has been copying, the cosmetic differences and the rather involved inquiry is completely uncalled for and/or not required. The concept of substantiality is not required to be gone into once the court concludes that one had copied from the other. In the present case, I am satisfied that even if the basis of substantiality is complied with, there is no manner of doubt that the Defendant's product is a substantial reproduction and/or imitation of the Plaintiff's designs. In view thereof, the submissions 28(2001) 1 All ER 700 KPPNair -37- NMS 2269 OF 2012 advanced and the reliance/analysis of case laws by the Defendant to establish otherwise cannot be accepted.

34. Admittedly, the Defendant has been manufacturing a large number of washing machines having diverse shapes and design. A list of such products of the Defendant is included in a chart at Exhibit-F (page 284) of the further affidavit in rejoinder of the Plaintiff. If the pattern which was followed by the Defendant for all their designs in the said chart is considered and then compared with the offending design, the difference is obvious and unmistakable. Prima facie I am satisfied that the offending design has been devised with the intention of copying the Plaintiff's design. Had the Defendant genuinely wished to adopt a different design, there were any number of options

available to it, without replicating the Plaintiff's designs and/or products.

35. As correctly submitted by the Plaintiff, the reason the Defendant chose to replicate the Plaintiff's design is also not too far to seek. The Plaintiff, in September, 2010, launched their washing machine, by applying to it their registered designs, whose registration was granted on 30th/31 st December, 2009, effective 15th July, 2009. The said design had been arrived at by the in house design team of the Plaintiff after expending considerable time, effort and money and by arriving at a shape, configuration and get up which was attractive and had high aesthetic appeal. The Plaintiff's products, by reason thereof became immensely popular and within a period of 2 years, the Plaintiff were in a KPPNair -38- NMS 2269 OF 2012 position to generate aggregate sales of 30,8152 pieces and/or Rs. 308 crores (approx.). In other words, the Plaintiff's product became a highly sought after product in the market. Till date the total sales of Plaintiff's washing machine is of more than Rs. 550 crores. I am satisfied that it is to cash in on this reputation and/or goodwill and/or customer attraction that the Defendant produced a washing machine with an almost identical design.

36. The explanation that the Defendant have put forth on how they hit upon their design lacks bona fides. In the affidavit in reply, the Defendant has explained the adoption of its design and asserted that they have been inspired by a product bearing No. Na-W605 manufactured by their foreign collaborator viz. Matsushita. The actual averment of the Defendant in this behalf is extracted below:

"The Defendants say that they had collaboration with Matsushita Electric Industrial Co. Ltd. Japan and the Defendants' present product which is popularly known as Pebble design is derived from and is an extension of previous model NA - W605 which is selling in the market for the past eight years."

37. The product/design which the Defendant claims was the inspiration behind their design/product (viz. Matsushita Model No. NA-W 605) is to be found at Exhibit-10 at page 458 of the written statement and Exhibit-2 at page 64 of the affidavit in reply and is reproduced hereunder along with the photograph of its impugned washing machine.

KPPNair -39- NMS 2269 OF 2012 Defendant's impugned product in the Suit These products upon being compared establishes beyond any doubt that there is no similarity whatsoever between the Matsushita Model No. NA-W605 and the Defendant's product. The Matsushita Model No. NA-W605 is a classic rectangular washing machine, which has a dated design which is in no way comparable to that of the Plaintiff. As submitted on behalf of the Plaintiff, in order to somehow create a similarity, the Defendant has lifted the lid of the Matsushita design/product to show an internal round drum. The explanation offered by the Defendant for the adoption of the offending washing machine therefore destroys the Defendant's case. The Plaintiff is correct in its submission that once the explanation offered for the Defendant's product is found to be wholly unbelievable and specious, the conclusion/inference that the Defendants have copied the Plaintiff's design, follows as night follows day.

KPPNair -40- NMS 2269 OF 2012

38. Therefore apart from this Court having reached a finding that the Defendant's product is an obvious imitation of the Plaintiff's design for the aforesaid facts and reasons, I am also prima facie in agreement with the Plaintiff that the Defendant's product is a fraudulent imitation of the Plaintiff's design.

39. The defense attributing features of the Plaintiff's design to functional requirements also cannot be accepted. This is evident from a bare perusal of the Plaintiff's registered designs. As correctly submitted on behalf of the Plaintiff, the Plaintiff has not sought any monopoly in any functional feature and/or element. As is evident from the Plaintiff's registered design, the novelty that is claimed by the Plaintiff is in the shape and configuration of the washing machine as illustrated i.e. the shape and configuration of the machine as a whole. The functional elements of a washing machine are inside the washing machine viz. the drums and/or apparatus which is used for washing and drying clothes. The shape of the outer receptacle inside which the washer and dryer units are contained is governed by aesthetic considerations since this appeals purely to the eye. Every semi auto washing machine has a washer and a dryer and a set of buttons or knobs which operate both dryer as well as washer.

Despite this, the outward appearance of different washing machines is different.

The Defendant itself has any number of models of semi automatic washing machines which have/had a washer, dryer and knobs and/or controls. These look completely different from the impugned product. Also besides a mere argument of functionality, no material whatsoever had been produced to show KPPNair -41- NMS 2269 OF 2012 that the outside receptacle or outer body and/or control panel of the machine could not have been different and owe their present form solely to functional considerations. For a defense of functionality to succeed, it is not enough to say that the form has some relevance to the function. If a particular function can be achieved through a number of different forms, then a defense of functionality must fail. For the defence of functionality to succeed, it is essential for the Defendant to establish that the design applied for is the only mode/option which was possible considering the functional requirements of the products.

Even otherwise, as submitted by the Plaintiff assuming that the shape also performs a certain function, that by itself is not determinative of the fact that the design is functional if that is not the only shape in which the function could be performed. In the case of Cow (P.B.) and Coy Ltd. vs. Cannon Rubber Manufacturers Ltd.²⁹ (cited at page 75 of the majority judgment of the Delhi High Court), the court held that there may be cases where the design while fulfilling the text of being appealing to the eye is also functional. In such cases, the conundrum of functionality is resolved by taking note of the fact that it would make no impact on the articles functionality, if the function could be performed by the use of another shape as well. The fact that there are umpteen number of shapes in which washing machines are sold clearly shows that the external shape has nothing to do with the function sought to be performed. In the present case, it surely cannot be argued that the constraints of functionality were such that the Plaintiff's design was the only design which could have been ²⁹ 1959 RPC 347 KPPNair -42- NMS 2269 OF 2012 devised. Since the external shape of the Plaintiff's washing machine has nothing to do with the function it performs and since the Plaintiff in the present case is seeking enforcement of its entire design and not an individual

component thereof, the case law cited by the Defendant in support of its defense attributing features of the Plaintiff's design to functional requirements, has no bearing on the present case.

40. The next defense which the Defendant has raised to the Plaintiff's registration is the lack of novelty in the Plaintiff's design. It has been contended that there is no new, novel or original shape in the Plaintiff's design. The Plaintiff's design is a combination of known designs. The Defendant urges that the Plaintiff has used designs (or parts thereof) which were in the public domain and the aggregation thereof, in the form /shape of a present design, lacks novelty and/or originality. In support thereof, the Defendant had adduced extensive material which amounts to a virtual aggregation of almost all the available washing machines. If the machines depicted in the Defendant's material are considered, it is impossible to discern how a defence of lack of novelty or originality based on a plea of combination of known designs can be sustained. The Plaintiff's product has a design and/or shape which is very distinctive and is a novel combination of a distinctive circular shaped wash area, an equally distinctive rectangular shaped dry area and a uniquely placed and/or designed panel. In an attempt to discredit this combination the Defendant has placed on record washing machines which are largely rectangular in shape. Realizing that this material is not adequate, the KPPNair -43- NMS 2269 OF 2012 Defendant in a further affidavit in reply dated 30 th July, 2013, then sought to place reliance upon some products and/or registrations from China/Hong Kong (Pages 147-150 of further Affidavit in reply of the Defendant dated 30 th July, 2013). None of these have any similarity with the Plaintiff's product. In fact as submitted on behalf of the Plaintiff, each subsequent design/product relied upon by the Defendant has only been progressively and increasingly different.

The Defendant has in particular placed strong reliance on a US Patent office specification which contains the design of a semi automatic washing machine which is found at page 420 of the written statement which is reproduced hereinbelow.

KPPNair -44- NMS 2269 OF 2012 It was strenuously contended that the Plaintiffs have copied the above design.

This contention cannot be accepted. The United States Patent Office Document shows a semi automatic machine which has two cylindrical drums. The outer body of Plaintiff's design does not consist of two cylindrical shapes. Instead it consist of a single composite shape which has a unique combination of a body panel which is distinctly circular at one end and flows into a distinctively rectangular pattern at the other. The schematic diagram reproduced hereinabove cannot be taken cognizance of, since the same is a schematic diagram of the inside of the machine; the application in question being an application for a patent, there is a need to show the internal functional layout of the product in respect of which the patent was sought. The actual product is depicted at page 419, the left hand side top and bottom pictures on that page show how the product looks when viewed externally. The same is reproduced hereunder.

KPPNair -45- NMS 2269 OF 2012 The Learned Counsel for the Plaintiff has therefore correctly submitted that the machine depicted at page 419 and reproduced above when looked at and examined in comparison with the Plaintiff's design, the similarities are nil.

41. On behalf of the Defendant, reliance was placed on the decision of the Delhi High Court in M/s. B. Chawla & Sons vs. Bright Auto Industries 30 to contend that to be new or original, the design must either substantially be novel or substantially original and not a mere trade variant. The proposition laid down by the said decision cannot be disputed. However, whether or not a design is substantially novel and/or original is a matter of fact. The Plaintiff's design is novel and original is inter alia established by the fact that the Defendant who is in the field of manufacturing washing machines for the last many decades has not manufactured a single model or washing machine which is even remotely similar to the Plaintiff's registered design. The fact that the shape and configuration of the Plaintiff's washing machine is distinctive is clear from a glance of the material produced before the Court more particularly the washing machines itself produced before this Court.

42. As held by the Hon'ble Division Bench of this Court (Coram: Mohit Shah, C.J. & Jamdar, J.) in Asian Rubber Industries Ltd. vs. Jasco Rubber 31, a Defendant 30 AIR 1981 Delhi 95 at paras 8, 11 and 12.

31 Decision dated 6th March, 2012 in Appeal No. 62 of 2012 in Suit No. 371 of 2012 in CROL No. 1 of 2012 in Appeal No. 62 of 2012 2 with Appeal (ST) No. 97 of 2012 in Suit No. 371 of 2012 with Notice of Motion No. 568 of 2012.

KPPNair -46- NMS 2269 OF 2012 who claims that its design has novelty cannot then contend that prior identical design of another is lacking in novelty. The Defendant therefore can hardly be heard to urge a lack of novelty in the Plaintiff's design since the Defendant themselves claim to be registered proprietors of the design. An attempt is made by the Defendants to distinguish the said decision by submitting that in that case the Defendant had procured design registration in relation to footwear under the Act, which was subsequently cancelled by the Assistant Controller of Patents and Designs and in the alternative by also contending that the decision is per incurium as it failed to take into account the statutory provisions i.e. Section 22 (3) read with Section 19 of the Act. In my view, both the submissions are untenable and cannot be accepted.

43. The Defendant's contention on lack of novelty is therefore untenable and baseless.

44. Yet another defense which the Defendant has raised is based on the fact that the Plaintiff had, on the same day, obtained registration of two designs which have minor variations from one another. The Defendant has urged that registration of a design is granted only when the Controller is satisfied that there is an element of novelty and/or originality in the design applied for, particularly when compared with earlier designs which have been registered. It has been contended that the Controller has therefore concluded that the later KPPNair -47- NMS 2269 OF 2012 of the two registrations granted on the same day was sufficiently different from the earlier registration and that therefore the minor differences between the two registered design were sufficient to constitute, novelty and/or originality. On this basis, an argument was developed that if the minor differences between the two designs of the Plaintiff are such that the later can still be regard as a novel and/or original one, then a fortiori and/or by logical deduction, the Defendant's product, which contains far great differences, than the Plaintiff's designs inter se must also be regarded as containing sufficient novelty and/or originality for the same not to be regarded as constituting infringement and/or piracy.

45. As correctly submitted on behalf of the Plaintiff, the argument completely overlooks the scheme of Section 6 of the Act. A careful reading of Section, as a whole, manifests the legislative scheme and/or intent that where the proprietor is the same, registration can be granted (i) of the same design in relation to other articles in the same class; and (ii) for the same or other articles with minor modifications (i.e. modifications or variations not sufficient to alter the character or substantially to affect the identity thereof. Putting it in the converse when there is no identity between the registered proprietor and the new applicant, an application for the registration of the same design in respect of another article or the same design with modifications of a minor nature to the same article or another article will not be entertained. The legal principle can be loosely described as "one design one proprietor", since the law treats minor KPPNair -48- NMS 2269 OF 2012 iterations of a design as non-existent. Sections 6 (3) and 6 (4) of the Act however recognize an exception to this rule viz. where the registered proprietor and the applicant for fresh registration are one and the same. They contemplate that once there is an identity between the original registered proprietor and the fresh applicant, registration of a design with minor variations or registration of the same design for a different article will be permitted. In other words, the act contemplates registration of two design with minor and/or incremental variations, provided the proprietor is the same. If the proprietors were to be different, these minor and/or incremental variations would not be considered as sufficient to permit registration.

46. For the aforesaid reasons I am of the prima facie view that the Defendant has infringed the Plaintiff's registered designs bearing Nos. 223833 and 223835 and needs to be restrained from continuing with such infringement.

47. The next and the final issue which needs to be decided by this Court is whether the Plaintiff has made out a case for passing off against the Defendants.

48. It is not disputed that an action for passing off will lie to protect the goodwill and/or reputation stemming from shape of goods. It is also not disputed that the definition of a mark under Section 2 (z) of the Trade Marks KPPNair -49- NMS 2269 OF 2012 Act, 1999 includes 'shape of goods'. The only enquiry which needs to be made is whether a person who purchases the defendant's product is likely to be misled into believing that he was purchasing the Plaintiff's product.

49. As set out hereinabove, the Defendant's product is almost identical in shape and configuration pattern as that of the Plaintiff. In so far as identity of shape and appearance are concerned, the two are almost identical. Again as set out earlier, this Court has had occasion to see both the products in question which were brought to Court and therefore insofar as whether the two were deceptively similar, the test is what appeals to the eye of the Judge on a first impression. The first impression has to be of a person with average intelligence and/or imperfect recollection.

50. The fact that substantial goodwill and reputation inheres in the Plaintiff's machines distinctive shape and get up and/or colour scheme and/or overall appearance cannot be disputed. As already stated above, in the period of two years since the Plaintiff launched the machine, till the filing of the suit the Plaintiff sold more than 308152 pieces and enjoyed aggregate sales in excess of Rs. 308 crores. Consequently, this is sufficient to constitute actionable goodwill and/or reputation in so far

as the Plaintiff's product is concerned.

KPPNair -50- NMS 2269 OF 2012

51. As submitted on behalf of the Plaintiff, the Plaintiff's machine introduced into the market a completely, revolutionary and/or distinct shape which had not been introduced earlier and it is this novelty that has been the engine for the enormous sales and/or popularity that it generated. By reason of the fact that no other washing machine with a similar or comparable shape existed in the market prior to the introduction thereof by the Plaintiff, the said novel shape and/or configuration and/or get up and/or overall appearance has come to be identified and/or associated exclusively with the Plaintiff. Consequently, the existence of the goodwill and/or reputation in the shape of the products stands established.

52. The Defendant has however contended that there is no possibility of misrepresentation, deception and/or confusion and/or passing off, since nobody buys a washing machine by reference to its shape or appearance. The Defendant strenuously contended that washing machines are expensive items which are purchased primarily by reference to the brand and/or manufacturer and the shape of the washing machine is almost entirely irrelevant. A person who goes to the market to purchase a machine buys it with reference to the brand and/or manufacturer and not by reference to any shape or design. In other words, when a person purchases a Videocon machine he/she is purchasing a Videocon machine and is in no state of wonderment or confusion about the identity of the machine which he seeks to purchase. In this behalf, emphasis KPPNair -51- NMS 2269 OF 2012 was placed by the Defendants on the facts that the Defendants' product and likewise the Plaintiff's products are prominently branded with the names of their respective manufacturers. It was therefore submitted that this almost entirely excluded the possibility of any deception and/or confusion. The Defendant also relied on several decisions in support of its contention that it is well settled that the nature of the goods and the class of purchasers and degree of care in purchasing and/or using the goods, the mode of purchasing the goods or placing orders of the goods are factors to be considered in an action for passing-off.

53. The products in question are semi automatic washing machines. In the washing machine segment they are at the bottom end of the spectrum and/or purchased by persons who are not as educated and/or discerning as persons purchasing top end automatic washing machines. The price of the Defendant's semi automatic washing machine is approximately Rs. 7200/-. The class of purchasers of such machines will therefore not necessarily be educated persons in cities but also include semi literate or persons who are not literate in villages and/or rural areas.

54. A potential customer for such a washing machine will also include persons who had visited houses of others and have seen or heard reports about the Plaintiff's products. These persons will more often than not only have had a fleeting glimpse or distinct view of the Plaintiff's product in another household KPPNair -52- NMS 2269 OF 2012 but may have received very positive reports about the machine from the purchaser thereof without naming the brand. Such persons may have also seen the Plaintiff's machine figure in advertisements or photographs and with the passage of time may have a fleeting recollection thereof, which are largely based on its distinctive shape and

appearance. If such a person were to come across the Defendant's washing machine, such a person would immediately believe that this is exactly the machine that he or she saw either at the residence of somebody else or in the photographs or advertisements seen earlier. In such circumstances, such person would immediately assume that the Defendant's products were what he or she had seen and/or heard so highly spoken about.

Such a person would purchase the Defendant's product on the belief that it was the Plaintiff's product or was associated with the Plaintiff. This clearly constitutes passing off.

55. During arguments a lot of emphasis was laid on the facts that the Defendant in paras 8 and 9 of their affidavit in reply, had alluded to the fact that washing machines are purchased after demonstration. It was therefore submitted that this fact had not been denied by the Plaintiff in their rejoinder (para 60). It was therefore submitted that if washing machines are purchased after demonstrations, there is no question of there being any deception and/or confusion, since this would automatically be dispelled as part of the demonstration and the purchaser would therefore know what he was KPPNair -53- NMS 2269 OF 2012 purchasing. The Learned counsel for the Plaintiff submitted that the Defendant's assertion that the pleading that washing machines are purchased through demonstrations had not been denied by the Plaintiff is incorrect. In fact, the Plaintiff, in their pleading has specifically denied this fact in para 60 of their rejoinder. The Plaintiff has only admitted that in certain cases, demonstrations may in fact be given but that fact by itself is not dispositive of there being no possibility of deception and/or confusion. The Plaintiff has never admitted the fact that all washing machines are only sold by or through the demonstrations route or that these demonstrations wholly exclude the possibility of deception and/or confusion. In fact, as stated above, to a lay or ordinary potential customer who has an imperfect or hazy recollection, and who associates or identifies the Plaintiff's washing machine with reference to its distinctive and novel design, there is every likelihood that he or she will attend such demonstration in the belief that the product being shown or demonstrated is the Plaintiff's product and purchase the same under this misconception. Hence, the factum of demonstration in no way excludes the possibility of passing off.

56. The case laws relied upon by the Defendant in support of its submissions that an offence of passing off is not established against them do not render any assistance to the Defendant.

KPPNair -54- NMS 2269 OF 2012

57. In view of the above, I am prima facie satisfied that the Defendants are also guilty of passing of their goods/products as that of the Plaintiff.

58. The Notice of Motion is therefore allowed in terms of prayer clauses (b) and (c). The Defendant shall pay costs of the Notice of Motion to the Plaintiff.

(S.J. KATHAWALLA, J.)