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.* **HIGH COURT OF DELHI: NEW DELHI**

% Judgment decided on: 30.03.2012

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\+ **I.A. No.9537/2011 & I.A. No. /2011 (un-numbered) in CS (OS) No.1446 /2011**

M/S MICOLUBE INDIA LIMITED ..... Plaintiff
Through: Mr. S.K. Bansal, Adv. with Mr. Santosh Kumar & Mr. Vikas Khera, Advs.

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Versus

RAKESH KUMAR TRADING AS SAURABH INDUSTRIES & ORS ..... Defendants

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Through: Mr. Saif Khan Adv. with Mr. Manish Biala, Adv .

CORAM:
HON'BLE MR. JUSTICE MANMOHAN SINGH

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MANMOHAN SINGH, J.

1. By this order, I propose to dispose of the two pending applications, one filed by the plaintiff being I.A. No.9537/2011 and other , which is unnumbered filed by the defendant No.3 for vacation of ex parte order filed before the Additional District Judge, New Delhi.

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FACTS OF THE CASE

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2. Originally the suit being Suit No.45/2011 was filed before the District Court, Patiala House, New Delhi against four defendants for infringement of designs, passing off etc. By order dated 9.3.2011 the defendants were restrained from manufacturing the containers used by the defendants on the basis of design registration.

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3. The plaintiff has filed the present application under Order XXXIX, Rules 1 & 2 read with section 151 of the Code of Civil Procedure, 1908 seeking an ad interim injunction against the defendants (also to its partners, directors, representatives, distributors, assigns, stockiest and all others acting for and behalf) from using selling, soliciting, exporting, displaying advertising or in any other mode or manner dealing with the impugned products of the plaintiff that is engaged in the business of manufacturing Petroleum products, brake and clutch fluid, lubricating oil and greases and other allied products (hereinafter referred to as the said business).

4. As the defendants challenged the validity of registered design of the plaintiff, inter alia, on the ground that under Section 19(d) of the Design Act, 2000 (hereinafter referred to as 'the Act'), therefore, in view of Section 22 (4) of the Act, the Addl. District Judge lost its jurisdiction and transferred the matter to this Court vide order dated 19.5.2011 and on transfer, the suit was registered under the above said number.

5. It is averred in the plaint that the Company sells the said products under its original, novel designed containers (said design) and the company is the owner thereof. In the year 2008, the Company had propounded two novel and original designs of the said products and launched the same in the month of January 2009. The said design is registered under Registration No.220071 dated 10.12.2008 under the Act.

6. The plaintiff claims that the said design has been applied to the containers and the features of said containers have novel shape,

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configuration, pattern and plaintiff is the owner thereof. The plaintiff also states that it has advertised and promoted its products bearing the said designs widely through various means and mode and the said designs applied to the said containers are distinctive and are exclusively associated with the plaintiff. The plaintiff has also claimed separate relief of passing off in relation to the design.

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7. The defendant No.3 who is also in the same trade has challenged the design of the plaintiff on various grounds mentioned in Section 19 of the Act. The defendant No.3's case is that the design in question is not new and original is liable to be cancelled on various grounds stated under Section 19 of the Act. The defendant No.3 infact denied all the averments made in the plaint.

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8. In addition to that the defendant No.3 has placed the registration of design No.233799 dated 10.01.2011 on record for its container and submits that in view of the registration granted, the plaintiff is not entitled for any interim relief.

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9. Incase, two containers used by the parties are examined, it appears to me that both are almost the same. The registration of design of container was granted in favour of the plaintiff on 10.12.2008 and to the defendant No.3 for the similar design on 10.01.2011 by the same office i.e. the Controller of Patents and Design, Calcutta. Scanned copy/specimen are reproduced hereinbelow :

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Design of the Plaintiff

Impugned Design of the Defendants

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10. The two line of defences raised by the defendant which requires consideration at this stage are :

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a) Maintainability of suit for infringement or piracy of the registered design when both the plaintiff as well as the defendant is registered proprietor of the designs.

b) Maintainability of Suit for passing off along with suit for infringement of Registered Design.

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11. In order to understand and appreciate the concepts relating to Design infringement as well as availability remedy of passing off under the law of Design. One has to first delve into enquiry as to nature and scope of Design Law which is statutory in nature. This acts as a backdrop to the discussion and examination of the tenability of the defences raised by the defendant. Let me therefore proceed to discuss the nature and scope of Design Law.

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Nature And Scope of Design Act 2000

12. The Design Act is purposefully made as a statutory protection for the industrial designs which pass the tests of novelty and originality provided by the Act. The said protection is akin to Patent Act which is also a purely statutory remedy and tests for evaluation of novelty are also somewhat similar to that of the Patent. The said protection of Industrial Designs is for limited period which 10 years for once and 5 years renewal thereafter and not beyond the same. The said law has been made specifically to protect the industrial designs like shape and configuration of the "article" and the said protection under the Designs Law is totally statutory in nature, and available in the form of The Designs Act, 2000 which is a complete code in itself as it

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provides the nature and extent of protection available under the designs law and the relevant provisions relating to the same are reproduced herein after:-

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Section 2(d) "design" means only the features of shape, configuration, pattern, ornament or composition of lines or colors applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 or property mark as defined in section 479 of the Indian Penal Code or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957"

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Section 9. Certificate of Registration (1) The Controller shall grant a certificate of registration to the proprietor of the design when registered (2) The Controller may, in case of loss of the original certificate, or in any other case in which he deems it expedient, furnish one or more copies of the certificate.

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10. Register of designs - (1) There shall be kept at the Patent Office a book called the register of designs, wherein shall be entered the names and addresses of proprietors of registered designs, notifications of assignments and of transmissions of registered designs, and such other matter as may be prescribed and such register may be maintained wholly or partly on computer, floppies or diskettes, subject to such safeguards as may be prescribed.

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(2) Where the register is maintained wholly or partly on computer floppies and diskettes under sub-section (1), any reference in this Act to any entry in the register shall be construed as the reference to entry so maintained on computer, floppies or diskettes. (3) The register of designs existing at the commencement of this Act shall be incorporated with and form part of the register of designs under this Act. (4) The register of

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designs shall be prima facie evidence of any matter by this Act directed or authorized to be entered therein.

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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 copy-right for a second period of five years from the expiration of the original period of ten years.

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Section 22. Piracy of registered design - (I) During the existence of copyright in any design it shall not be lawful for any person-

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(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 license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or

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(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

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(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.

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2. (1) 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

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exceeding twenty-five thousand rupees recoverable as a contract debt, or

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(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:

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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.

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(3) 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.

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(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 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.

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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."

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13. The conjoint reading of the aforementioned provisions would reveal that the Design Act is a complete code itself which provides that there is a condition for certificate of registration of the said design u/s 9 and the said design upon registration confers the copyright in the said design for a period of 10 years as envisaged u/s 11

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and for further renewable of five years under the said provision. The said term of the Design also indicates that the design right is a

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statutorily conferred right for limited period and there is no room of any other right to exist except the one conferred by the Act. Likewise, Section 22 provides remedy for piracy of a registered design wherein the said piracy will only happen during the existence of copyright in the said design.

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14. All these provisions provided under the Act are indicators to the effect that infringement/ piracy can only be of a registered design and the said remedy is available during the existence of the said copyright as mentioned u/s 11 of the Act. What follows from the above discussions is that there is no remedy, which is being saved either in the form of common law of passing off or otherwise on the basis of any equity which can be said to be a legally enforceable right available to the party *dehors* remedy which is available in the self-contained code which is The Designs Act, 2000.

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15. There is a lot of debate on the subject as to whether the common law remedy of passing off can be joined together with the statutory nature of remedy of the Designs Act and the judicial opinion towards this effect is also in fluidic state as there is no consistency in the opinion of the courts as to whether the common law can be enforced even under the Designs Statute.

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16. Hon'ble Justice P. Narayanan in his Book titled "**Law of Copyright and Industrial Designs**" has observed about the nature of the remedy under The Designs Act in the following words:-

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> *"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,***

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gives monopoly protection in the strict sense of the word rather than mere protection against copying as under the Copyright Act.” (Emphasis Supplied)

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17. From the bare reading of the said observations of the learned author, it becomes clear that the remedies prescribed under the Designs Act are purely statutory in nature and there is no room of common law or equitable consideration when it comes to examining the remedies prescribed under the Act.

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18. Once the nature and the scope of the Design right is realized, which is remedy based on the strict sense of the word of the statute and also it is discerned that the infringement of design can happen only during the currency of the term of the design after reading section 22, then the answers to the said propositions framed above will follow on their own. Let me now evaluate the same one by one in the light of discussion about the nature and scope of the design right.

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Maintainability of suit for infringement or piracy of the registered design when both the plaintiff as well as the defendant is registered proprietor of the designs.

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19. It is seen that the design right as provided under the Designs Act, 2000 is a purely statutory remedy. The closer look to the provisions under the Designs Act, 2000 will also reveal that once it is realized that the Design Act is purely statutory right, then it is equally hold good to say that when the Plaintiff is registered proprietor and Defendant is not registered only then can the action of infringement of design is maintainable. 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:-

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

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(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

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(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

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(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.

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(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

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(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:

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

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Provided further that no suit or any other proceeding for relief under this sub- section shall be instituted in any

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court below the court of District Judge.

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(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.

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(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.

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(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."

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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.

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20. On 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. The Scheme of the Section 21 (1) itself reveals that the rights which are conferred upon the

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design right holder are not to be used or exercised by "any person" other than a registered proprietor are provided u/s 22(1) of the Act and it shall not be lawful such persons to apply the said designs else the consequences for contravention as provided u/S 22(2) of the Act shall follow.

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21. On testing these provisions on the principle that design is purely a creature of Statute/ Statutory right, it can be easily seen that "any person" u/s 22(2) who can contravene Section 22(1) has to be "any person" other than a "registered proprietor". This is further clear when section 22 (2) which talks about contravention uses the expression "any person" and "registered proprietor" separately while providing for the liability of the said "any person". It cannot be said that a person who is registered proprietor can be said to be the one for whom it is not lawful to apply the said design to an article.

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A corollary to this would certainly be that "any person" for whom it is not lawful to apply the design to an article during the existence of copyright, other than registered design holder. What follows from bare reading of Section 22(1) and 22(2) is that the person who can contravene Section 22(1) has to be a person other than the registered proprietor and therefore a registered proprietor cannot be subsumed within the ambit of Section 22(1) and 22(2) and hence cannot be liable for infringement. This has been done by plain reading of the Statute without going into any further enquiries.

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22. It is well settled principle of law that the Court has to first do its endeavors to give a plain reading to a Statute so that every word employed in the Statute may be read and be given meaning and it is impermissible under the law to enlarge and limit the scope of the

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Statute by adding or subtracting the words in the provisions.

23. Applying the said principle of Section 22(1) and (2), it leaves no room for doubt to state that "any person" who can contravene Section 22(1) and for whom it shall not be lawful to apply the said design to an article must be the one in favor of whom the Statute has not created/ conferred the rights by providing design certificate/a person who does not process the design certificate u/S 11.

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24. 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:-

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> *"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."*

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25. A Careful reading of Section 22(3) would make it clear that in any suit or in any other proceedings for a relief u/s 22(2) which is the proceeding against **contravention of the said design** under sub section 2, every ground on which the registration of a design may be cancelled u/s 19 shall be available as a ground of defence. Again, plain reading of the said section would reveal that when the suit or any other proceedings relating to infringement of design, the defendant can take it as a matter of defence every ground of challenge which is permissible for the purposes of cancellation.

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26. However, it is only when there is an infringement proceeding lodged by the plaintiff, what is available is the ground of challenge as a defence and not otherwise. The section 22 (3) states in

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clear and unequivocal terms that in **a suit or any other legal proceedings under section 22 (2)**. Resultantly, Section 22(3) has immediate connection with that of Section 22(2) as it talks about **infringement proceedings or other proceedings under section 22 (2)** and the ground of cancellation as a matter of defence.

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27. Let me reiterate that reading of Section 22(1) and (2) collectively reveals that a person who is registered proprietor cannot fall within the ambit of any person and therefore cannot be held liable for infringement. In that event of the matter, if a suit for infringement against the registered proprietor of the design is not maintainable, it is inconceivable as to how Section 22(3) can be pressed into service to invalidate the design certificate/registration of design of such defendant who sets up the registration as a defence in a suit which is not maintainable at first place.

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28. The court if proceeds to invalidate the said registered design right of the defendant by invoking Section 22 (3) would have to presuppose that there exist 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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29. Thus, the Section 22 (3) has to be read in consonance with Section 22 (1) and Section 22 (2) which would mean that the grounds of invalidity are available in a suit for infringement under sub section (2) of Section 22 wherein suit for infringement must exist at the first place as per Section 22 (1) and Section 22 (2). Thus, the Section 22 (3) will operate only to examine the validity of the design in an

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infringement proceedings as a defence and not beyond the same.

30. It is well settled principle of law that when the power is given by the statute 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:

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> "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 th act in any other manner than that 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 s. 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 s. 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**)

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31. Applying the said principle to the present case, once the grounds of invalidity is available in a suit for infringement as a matter of defence, the power available to examine such grounds has to be circumscribed to the extent what has been permitted by the legislative

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provision and Section 22 (3) cannot be permitted to operate beyond its purview.

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32. Section 22(3) only talks about a limited right of a defendant to raise in an infringement suit as a matter of defence. Every ground which is available to invalidate the said designs but the said section cannot enable a suitor to ask for cancellation of the registered design of the defendants in an infringement proceedings as the infringement proceedings are not maintainable at the first place even by reading of Section 22(1) and (2).

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33. Furthermore, Section 22(3) enables only a ground to be raised as a matter of defence in infringement proceedings and the same cannot be read vice versa wherein the positions are altered inasmuch as it can only invalidate the design of a plaintiff as it gives a ground of attack to the defendant. The same cannot culminate infringement proceedings into cancellation proceedings. If that is so, then Section 19 would become redundant and every registered proprietor of a design for the purposes of cancellation would straightway file an infringement action against the defendants who is also a registered proprietor and will seek a prayer of cancellation additionally without approaching the proper fora.

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34. This is not the import of Section 22(3) as it only contemplates a limited situation where there are infringement proceedings which are being lodged under sub section (2) of Section 22, and therefore Section 22(3) cannot be read to construe on mere fact that ground of defence is available, the court can even invalidate the registration of a design of a defendant in a suit for infringement when the suit for infringement on mere reading of Section 22(1) and 22(2) is

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not even maintainable at the first place. Therefore, the court will not go into further enquiry and is powerless to invoke Section 22(3) under the Designs Act, 2000 to invalidate such registration in case the Defendant is a registered proprietor.

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35. In view of the aforementioned discussion, on the plain reading of Section 22 as well as considering the purely statutory nature of the proceedings under the Design Act, it becomes clear that the no suit for infringement is maintainable against another registered proprietor of the design as "any person" under Section 22 has to be other than the registered proprietor. This has been discerned on plain reading of the statute. However, I shall revisit this discussion again while examining the inconsistent judicial opinion.

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Availability of Remedy of Passing off under the Design Act

36. Let me now evaluate as to whether there exist any remedy of passing off under the Design Act.

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37. It is also well settled that whenever the subject in the legal field is governed by the Statute, then the said subject has to be dealt with under the provisions of statute, and it excludes the equities and the common law unless it is specifically saved within the same Statute. Kindly see the judgment of ***Kedarlal Seal and another Vs Hari Lal Seal*** *reported as* ***AIR 1952 Supreme Court 47*** wherein the Hon'ble Supreme Court observed in the context of mortgage about the availability of common law principles in the following terms:-

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> *"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)**

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37. The Privy Counsel 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 fight 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**)

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38. This has been affirmed by the Hon'ble 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:-

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"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)***

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39. From the above, it is clear that howsoever equitable or justifiable or fair the remedy seems to be if the dominion is governed

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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.

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40. 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. 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:-

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> *"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 ha prerogative 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.*

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> *10.* ***It is trite that when Parliament or a State legislature***

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> ***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 serious of judgments."* (***Emphasis Supplied***)

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41. Upon testing Design enactment on the principles laid down by the Hon'ble Supreme Court relating to saving of common law and the rights under the statute shall prevail over common law unless it is saved expressly by a statute, it becomes clear that neither the Designs Act, 2000 expressly saves the principles of common law of passing off nor is there any saving previously practiced common law which was available at the time of enactment of the Designs Act. Therefore, what follows from the commentaries relating to design law which explicitly state that the design remedy is purely statutory in nature and from the illuminating observations of the Hon'ble Supreme Court is that the statutory remedies exclude common law until and unless saved expressly, the Designs Act cannot be said to be saving the principles of common law of passing off and therefore the passing off remedy cannot be made available to a party enforcing the Designs right in the Designs Act, 2000.

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42. The aid can also be drawn from the Trade Mark Act, 1999 where the provisions relating to infringement and the rights conferred upon the registered proprietor specifically saves the principle of common law.

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The said provisions read as under:-

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"27. No action for infringement of unregistered trade mark.-
(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

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(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof."

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43. The said provision expressly saves common law of passing off when it comes to enforcement of the trademark rights. Therefore, the said saving is expressly present on that basis and in the cases relating to trademarks, one can also press into service the common law of passing off. In sharp contradistinction to the same, the Designs Act being purely statutory in nature nowhere provides for any such saving of common law of passing off and therefore on that very basis also, it cannot be assumed that there is any implied saving of passing off which is just a matter of convenience to the party when the provisions of piracy itself under Section 22 states that piracy can only be of a registered design during the existence of the copyright. Therefore, *dehors* the design statute, there cannot be any legally enforceable right under the common law can be given to a party when the same is conspicuously absent from the Designs Act, 2000. Hence, it follows that no passing off remedy is available under the Designs Act.

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Is a Remedy of Passing off completely eliminated for the protection of Shapes of the Articles.

44. Now, one has to also see as to whether passing off is completely barred when it comes to protection of IP rights vis-à-vis the shape. Indeed it is not so, as the corresponding legislation relating to

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trademarks under the Trade Marks Act, 1999 explicitly protects the shape of an article as the trademark. The said legislation also contains the provisions relating to passing off. The interplay of the provisions engrafted in the trademark legislation would reveal that there is a kind of passing off right available when the shapes are to be seen from the standpoint of the trademark. The interplay of the provisions is mentioned hereinafter:-

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> *"Section 2(1)(m) – "mark" includes a deice, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof"*

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> *"Section 2(1)(zb)- "trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours"*

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> *"Section 27(2) - Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof."*

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45. The overall interplay of the afore-extracted provisions would clearly reveal that there is a right of passing off available even in relation to shape of the article when it comes to shape treating them as a trademark. Similar view has been taken by the learned Single Judge of the Bombay High Court wherein this concept of shape mark has been examined ***in extenso.***

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46. In the case of ***Gorbatschow Wodka KG v. John Distilleries Limited*, 2011 (47) PTC 100** the learned Single Judge of Bombay High Court has invoked the passing off principle under the Trade Marks Act

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and applied the same to the shape of the Bottle. The learned single judge also established a connect between the Trade Mark Act shape mark concept vis a vis Design Act and proceed to observe the Design Registration is immaterial if a suitor opts for a remedy of passing off under the Trade mark Act. The learned single judge observes thus:

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> "13. The action before the Court is a quia timet action which seeks to injunct the Defendant from launching its product in India. The basis and foundation of the action is that the Defendant has adopted a bottle for the sales of its product which in its shape bears a striking resemblance to the bottle of the Plaintiff. Under the Trade Marks Act, 1999, the shape of goods is now statutorily recognized as being a constituent element of a trade mark. Section 2(zb) of the Trade Marks Act, 1999 defines the expression 'trade mark' to mean "a mark capable of being represented graphically **and which is capable of distinguishing the goods or services of one person from those of others" and to include the "shape of goods, their packaging and combination of colours". Parliament has, therefore, statutorily recognized that the shape in which goods are marketed, their packaging and combination of colours form part of what is described as the trade dress. A manufacturer who markets a product may assert the distinctive nature of the goods sold in terms of the unique shape through which the goods are offered for sale**.
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> "**The fact that the Defendant has obtained registration under the Designs Act, 2000, does not impinge the right of the Plaintiff to move an action for passing off. Section 27(2) of the Trade Marks Act, 1999 provides that nothing in the Act shall be deemed to affect the right of action against any person for passing off goods or services. Section 27(2) is a statutory recognition of the principle that the remedy of passing off lies and is founded in common law." (Emphasis Supplied).**

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47. What follows from the above discussion is that when it

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comes to examining the remedy of passing off holistically with the design Act vis a vis that of trademark Act that there is direct contradiction between the two legislations; one providing the shape of an article as a trademark wherein the passing off remedy is available and another providing the design right wherein the rights and remedies are purely statutory in nature, and no concept of passing off can be pressed into service.

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48. The question then arises for consideration is as to how one has to evaluate as which of the permissible remedies can be looked into by the Court while dealing with the aspect of protection of shapes in generality. Although it seems that there is a kind of conundrum between the two legislations and actually it is not so and it is dependent upon the election of rights by the party or the plaintiff.

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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 election of the said remedy is *estopped* from going back and switching over to other inconsistent remedy.

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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:-

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> "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

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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)

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49. The Division Bench of this Court in the case of ***Alloys Wobben v. Yogesh Mehra*** recently opined about the applicability of the doctrine of election in the following words:

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"In all cases to which the doctrine of election applies the elector has the choice of two rights, either of which he is at liberty to exercise, but not both. The rights between which he has a choice must be mutually exclusive. Obviously there can be no election, choosing one course to the exclusion of another, when in fact there is only one course to take or where the two courses are such that the adoption of one of them does not necessarily indicate a final intention to abandon the other." (**emphasis is ours**)"

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50. In the present case also, the situation like the present one exists as there is a *prima facie* overlapping remedies / rights exist which are given by the law for protection of shapes either in the form of Design Act which is purely statutory in nature and another in the form of anti-thesis trademark protection by securing registration therein and which also saves the common law of passing off under Section 27(2) of the Trade Marks Act, 1999. The said remedy under the Designs Act is thus mutually inconsistent with that of trademark remedy as the rights under the Designs Act are purely statutory in nature. The said inconsistencies between remedies under the Trade Marks Act and

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Design Act can be outlined as follows:

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 exception to the same is when the court declares that due to the long and extensive

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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.

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

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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.

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By reading aforementioned inconsistencies, it is more than apparent that the rights and remedies under the Design Act are inconsistent with that those existing under the Trade Marks Act. A right holder either of a trade mark or of design cannot permitted to ride on two boats when both are going different ways. A person having registered his design under the Design Act which is for the limited period of time for 15 years in total cannot be allowed to urge inconsistently to state that his rights should still be protected even if his design right fails due to pre publication or otherwise due to exhaustion on the premise that the common law right of passing off as existing under the Trade Marks Act or having a registered Trade Mark under

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the TM Act still remains available despite the same. If the person is allowed to do like this, then a right holder may be permitted to enjoy rights on the shape of the goods indefinitely which cannot be intent of the law makers.

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Thus, a person has to elect between two inconsistent remedies permissible under the law so that the necessary balance between the two may be struck and rights are to be adjudicated on that basis. Once elected, the right holder is estopped from switching over the right or remedy to the one which is inconsistent to the other.

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51. Therefore, one has to elect the rights and the remedies provided under the law when there are mutually inconsistent rights which are available to a party at the time of enforcement of the said rights and that is exactly done by applying the doctrine of election.

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52. As seen above, it is clear that the concept of passing off is absent when it comes to statutory remedy under the Designs Act and when it comes to overlapping inconsistent remedy relating to shape as a trademark. Resultantly, ***a fortiori*** it follows that the passing off action cannot be clubbed with the rights under the Designs Act which is purely based upon the Statute and a party /a suitor has to make a choice and has to necessarily elect the remedy either under the common law permissible in Trade marks and/ or 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.

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53. Once a party elects out of mutually inconsistent remedies existing in Trade Marks Act and the Designs Act, and it proceeds on the same very basis and travels beyond a point by opting a way out,

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then the party is *estopped* from pressing into service a mutually inconsistent remedy when it is confronted with the situation where there is unlikely of success in the remedy which it had actually elected.

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54. Consequently, once the passing off is absent in the Designs Act, then the rights are to be examined purely on the statutory rights premised under the Designs Act and the party cannot peg its case on passing off when it is not applicable under the Designs Act. On the contrary, if a party chooses a remedy under the Trade Marks Act and does not opt for registration of design at all, then the same very party can enforce its rights under the common law of passing off clubbed with infringement of trademark in case there is a certificate of trademark to that effect.

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55. Therefore, the prima facie conflict between the two inconsistent remedies can be resolved by applicability of doctrine of election and limited right of passing off exists under the law of trademark wherein the definition of trademark includes shape and configuration of the article but the same cannot be pressed into service when the suitor opts for remedy under the Designs Act where there is no such saving of common law remedy nor is there any common law pre-existing which has been continued under the law. Thus, the relief sought by the plaintiff cannot be granted.

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56. The plaintiff on the facts in hand has claimed the passing off in the design as per the prayer clause in the plaint. The said election vis a vis a Design Act will lead to rejection of the relief of passing off in law. However, one can say that there is some trade dress right which still available. I am of the view that the definition of the Design is wide enough to cover the shape of the Article including the colours, patterns

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drawn on it as an intristic part of that article. Thus, if the election is made qua the Design right under the Design Act, there cannot be again fall back right of residual nature in the form of Trade Dress which is left open to be contended as the same again falls within the realm of Trade Mark Act, 1999.

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Judicial Opinion on Both the Aspects

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57. Let me now discuss the judicial opinion on the subject. It is noteworthy to mention that the judicial opinion when it comes to maintainability of the suit against a registered proprietor of the design as well as availability of remedy of passing off thereon, is inconsistent from the very beginning, long drawn debate has begun from the judgment given by this Court in the case of ***Tobu Enterprises Pvt Ltd Vs Megha Enterprises and Anr***, wherein learned Single Judge Justice G.R. Luthra of this Court, after analyzing the provisions relating to Designs Act and comparing with that of the Trade Marks Act has done a detailed survey of the provisions and thereafter proceeded to answer the question as to whether the suit against the registered proprietor of the design is maintainable and also attempted to answer about the maintainability of passing off action. The discussion pertaining to the same, finds mention in paragraphs 6 to 13 of the judgment which are reproduced hereinafter:-

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"6. First of all I presume for the sake of arguments in this case that tricycles produced by defendant no. I resemble the one manufactured by the plaintiff. The relevant provision of the Act under which an injunction can be issued or damages can be awarded is Section 53 which reds as under:

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

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(a) for the purpose of sale to apply or cause to be applied to any article in any class of goods 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

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(aa) 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,

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(b) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of goods 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.

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(2) if any person acts in contravention of this section, he shall be liable for every contravention-

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

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(bb) 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 one thousand rupees.

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(3) 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."

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It is apparent from the same that an action for recovery of

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damages and for issue of an injunction can be brought by the proprietor of a registered design. In the present case not only the plaintiff but defendant no.1 is also proprietor of registered design. Therefore each of the parties, in view of sub-section (2) of Section 53 of the Act is entitled to bring a suit for injunction and for recovery of damages against the other. That being so, obviously it will be absurd to issue injunction in favour of one of the parties to the suit restraining the other form using the registered design. The net result, therefore, is that when design of both the parties is registered, no action in the nature of issue of injunction or recover of damages is permissible.

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7. *The question then arises what should be the remedy in such a case? The answer is given by section 51- a of the act which reads as under :*

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"51-A (1) Any person interested may present a petition for the cancellation of the registration of a design-

(a) at any time after the registration of the design to the High Court on any one of the following grounds namely:-

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

(ii) that it has been published in India prior to the date of registration ; or

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

(b) within one year from the date of the registration, to the Controller on either of the grounds specified in sub-clauses (i) and (ii) of clause (a).

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

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That means that each of the parties can file application in the high court for cancellation of the registration of the other. It was stated by the counsel for the defendants at the Bar that the

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defendant no. 1 had already filed such an application in this Court on 29th August, 1983. The plaintiff can also file an application against the defendants.

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9. *The learned counsel for the plaintiff placed reliance on Section 47 of the act which reads as under :*

> *"47. 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 five years from the date of registration.*

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> *(2) If before the exertion of the said five ears 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 five years.*

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> *(3) If before the expiration of such second period of five years application for the extension of the period of copyright is made to the Controller in the prescribed manner, the Controller may, subject to any rules under this Act, on payment of the prescribed fee, extend the period of copyright a third of five years from the expiration of the second period of five years."*

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Learned counsel argues that it is apparent from a plain reading of that provision that it is the said provision which deals with the substantive right of a registered proprietor of a design, that the said substantive right of registered proprietor is for a period of 5 years initially which can be extended from time to time for a period of 5 years at a time, that on account of the fact that plaintiff obtained registration of the design of the tricycle earlier, the substantive right of the plaintiff having come into existence no right of the defendants could be acquired during the concurrency of the rights of the plaintiff and that, therefore, the plaintiff is entitled to prevent the defendants from the piracy consisting of the use of the design of the plaintiff. Learned counsel also pointed out that if the legislature intended that an earlier registration should not prevail as against the later in

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time, it would have been so provided in the Act as had been done in sub section (3) of Section 28 of the Trade and Merchandise Marks Act, 1958, which reds s under:

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28. (3) Where two or more persons are registered proprietors of trade marks which are identical with or nearly resemble each other, the exclusive right to the use of an of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade mark but each of these persons has otherwise the same rights as against other persons (not being registered users by way of permitted use) as he would have if he were the sole registered proprietor."

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Learned counsel also contends that the act does not unlike the provisions of Trade & Merchandise Marks Act provide for an elaborate procedure of inquiry of giving notice to the public for filing objections against the application of a person, that the registration is done without much inquiry and that, therefore, these is all the more reason that the earlier registrations must prevail as against the later ones. His submission also is that in any case there is 'passing off' of their tricycle by the defendants as the plaintiff on account of which alone the plaintiff issue of temporary injunction, as prayed for by him.

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10. It is true that Section 47 of the act does create a substantive right in favour of a person whose design is registered. But that provision does not say that a registration earlier in time will prevail gist later registration. Had there been such an expressed in the said terms.

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11. Then the question arises as to what is the remedy, if rights accrued on account of registration of design are infringed. That remedy is provided in Section 53 of the Act. I have already stated that section does not, in any way, give preference to the earlier registrations as against later ones. Therefore, the net result is that firstly section 47 does not create any right of preference in favour of an earlier registration and section 53 does not provide for any remedy of injunction etc. with a view to enforce prevailing of earlier registration as against later ones.

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The registration of a design can, therefore, prevail and is to be protected against infringement only when the opposite party does not possess any registration. The obvious result is that if each of the parties registration of design, each of them can use that design for its products.

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12. The right against 'passing off' is a common law right. But that right is subject to the provisions of a particular statute. In the present case Section 53 of the act deals with the remedy of injunction and claim of damages and rendition of accounts. That does not provide for any remedy against any alleged passing off. Therefore, no injunction can be issued on the ground that a defendant is likely to pass off his goods as that of the plaintiff. It will be worthwhile to mention that in ordinary cases of infringement of rights, the right to recovery of damages is not confined to any pecuniary limits but section 53 of the act imposes a maximum limit of Rs.1, 000/- for recovery of damages. This pecuniary limit having been provided in the particular law, i.e. the Designs act, therefore must prevail against the general or common law of not setting any limit or not providing any pecuniary limit to the recovery of damages. On the same analogy when particular remedy is provided in particular circumstances, remedy against 'passing off' is excluded.

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13. Had there been any intention of the legislature that the passing off would entitle a plaintiff to obtain an injunction, that could have been so expressly stated had been done in section 27 of the Trade and Merchandise Marks Act, 1958, which reads as under:-

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"27. (1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for the infringement of an unregistered trade mark.

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(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof."

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Therefore, in cases designs are registered under the Act, the doctrine of passing off has no application and that being so; the earlier registration or user cannot prevail against the later

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58. The salient features of the view taken by Hon'ble Justice G.R. Luthra are highlighted as under:-

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a) That it first analyzes provisions of Section 53 of the Designs Act, 1911 in para 6 of the judgment.

b) That it analyzes the provisions of piracy of Design vis-à-vis the provisions existing in the Trade and Merchandise Marks Act, 1958 as to what can be the consequence when both the parties are registered proprietors of the trademark.

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c) That it also attempts to answer the question of passing off as it does take into consideration that the common law right is subservient to a particular Statute.

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Although it does not discuss *in extenso* about the law laid down by the Hon'ble Supreme Court way back in Kedar Nath (Supra) that the possibility of common law is ruled out where the subject is governed by the Statute but it does give a hint that the view taken by Hon'ble Justice Luthra is based upon such principles. However, the said view was not approved in the case of ***Tobu Enterprises (P) Ltd Vs M/s Joginder Metal Works and Anr.*** *cited as* **AIR 1985 Delhi 244,** *wherein* Hon'ble Justice D.P. Wadhwa taking a different view has distinguished the case of ***Megha (supra)*** in the following manner:-

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"6. I do not think that the provisions of -S. 53 of the Act can be read as to exclude 'any fiction, for passing off and for rendition of accounts, A person complaining infringement of his design can certainly ask for accounts from the defendant to show the profits earned by the defendant by unlawfully using the design of the registered proprietor. The plaintiff might say that the profit earned by the defendant would be the loss sustained by him which he could claim as damages. It is not disputed that

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damages can be claimed. The dispute is at best as to the method of assessing the damages. According to Mr. Vidhani, the plaintiff must claim a specific amount. In Russell-Clarke on Copyright in industrial Designs 5th edn. at pages 107, the learned authors have giventhe following heads under which damages might be claimed :

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"A. Where the defendant has made sales which the. plaintiff showed be would otherwise have made. the plaintiff is entitled to his loss of profits on the assumption that he would have made the sales in fact made by the defendant,

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(B) Where the defendant undercut the plaintiff's prices and the latter had to reduce his prices to compete, the plaintiff is entitled to be recompensed for the diminution in his profits.

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C. In case of sales by the defendant which the evidence shows the plaintiff would not himself have made, the plaintiff is entitled to a fair and proper royalty as the price or hire which should have been paid for the use of invention to legalise those sales.

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As a general alternative to these methods, the patentee can if he wishes claim all his damages for sales made by the defendant on the basis of a fair and proper royalty."

Reference may also be made to another decision of the Bombay High Court in Calico Printers Association v. Savani & Co. . In the case, a suit was brought by the plaintiff alleging infringement of a design. The plaintiff prayed for injunction restraining the defendants from applying the registered design of the plaintff. The plaintiff also prayed that defendant be ordered to' deliver up to the plaintiff for destruction the goods bearing the design of the plaintiff which goods were in possession of the defendant. One of the contentions raised by the defendant was that the plaintiff was not entitled to the relief claimed regarding delivery up of the goods to the plaintiff for destruction. The argument as that a copyright is a statutory right and the remedies for the infringement of a copyright are also statutory and are contained in S. 53(2) (a) and- (b) of the Act. It was, therefore, submitted that as the Act provided the specific remedies for an infringement of a copyright no other remedy was available to the plaintiff or could be so granted by

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the court. Negativing the contention of the defendant, the court, after referring to various decisions of the English courts, observed that, "From these cases it is clear that the equitable remedies in respect of an infringement of a copyright are not excluded by the statute and the plaintiffs are entitled to ask for delivery up of the goods in suit to them for destruction." ***Mr. Vidhani then referred to an order of this court by 0. R. Luthra, J. in Tobu Enterprises Pvt. Ltd. v. Megha Enterprises & Anr. (IA No. 1480183 in Suit No. 473183, decided on 3-10-1983(3) where the learned Judge had observed that remedy against passing off was excluded under the Act. This order was passed in an interlocutory application filed by the plaintiff under Order 39, Rules 1 and 2, read with S. 151 of the Code of Civil Procedure, for issue of an injunction restraining the defendants from manufacturing, selling, officering for sale etc. or dealing in tricycles having the same design as of the plaintiff. The defendants in that case had also got their design registered under registration No. 152347. The learned Judge observed that not only the plaintiff but the defendant was also proprietor of a registered design and therefore each of the parties, in view of S. 53 of the Act, was entitled to bring a suit for injunction and for recovery of damages against the other. The learned Judge further observed "That being so, obviously it will be absurd to issue injunction in favor of one of the parties to the suit restraining the other from using the registered design. The net result, therefore, is that when the design of both the parties is registered, no action in the nature of issue of injunction or recovery of damages is permissible." On facts, the learned Judge found that there was a lot of difference in the general appearance of the tricycles manufactured by the defendant. In this context, the learned Judge had examined the question as to what was the remedy if rights accrued on account of registration of design were infringed. He was of the opinion that the right against passing off was a common law right and that this common law right was subject to the provisions of a statute***, *he further observed "In the present case. Section 53 of the Act deals with the remedy of injunction and claim of damages and rendition of accounts. That does not provide for any remedy against any alleged passing oft. Therefore, no injunction can be issued on the ground that a defendant is likely to pass off his goods as that of the plaintiff. ." Then, finally it was observed "Therefore, in*

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> *cases designs are registered under the Act, the doctrine of passing off has no application and that being so, the earlier registration or user cannot prevail against the later one."*

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> ***No doubt the observations made by the learned Judge dp support the argument of Mr. Vidhani to some extent. However, as noted above, this order was made on an interim application and the issue which is before me in the present case could not be specifically there in those proceedings at that state. Moreover, the learned Judge himself said that the observations made in the order were only for deciding of the application and were not to affect the decision of the suit on merits. May be this was with reference to the findings arrived at for the purpose of the decision of the application for interim relief. The facts in that case were, however, different inasmuch as both the parties had claimed registration of their respective designs. The observations made in the order, therefore, cannot be said to have any binding force."***

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59. The judgment rendered in ***Tobu Enterprises Pvt Ltd Vs Megha Enterprises and Anr***, was distinguished in **Joginder Metals (supra)** on the basis that the facts and circumstances were different as both parties had claimed registrations in respective designs and also that the said observations did not have binding force as they were made in the course of deciding the interim application, but the said judgment in **Joginder Metal (supra)** did not go in the in depth analysis while examining the nature of rights available under the Design Act nor did it take into consideration the another pillar of reasoning given by Hon'ble Justice Luthra which is that the statutory nature of the design right which must necessarily exclude the element of common law, and therefore the difference in the facts that both the parties are claiming registration is not much material when one is concerned with statutory remedies as the common law has to pave the way anyways. The said aspect has not been considered in ***Tobu Enterprises (P) Ltd Vs M/s***

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Joginder Metal Works and Anr. *cited as* **AIR 1985 Delhi 244.**

60. The trend again took a turn in the line of authorities when the judgment in the case of ***Indo Asahi Glass Co. Ltd. Vs Jai Mata Rolled Glass Ltd. & Anr.*** cited as ***1996(16) PTC 220 (Del.)*** was rendered by Hon'ble Justice P.K. Bahri wherein again the Hon'ble Judge came to the conclusion that the suit against the registered proprietor of a design is not maintainable and the said judgment confirmed the view taken in ***Tobu Enterprises Vs Megha Enterprieses (Supra)*** as under:-

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> "*24. The learned counsel for defendant also cited M/s Tobu Enterprises Private Ltd. Vs M/s Megha Enterprises, 1983 PTC 359. In the said case, the two designs were found to be similar in nature and both designs had been registered. The Court held that Section 47 of the Designs Act does create a substantive right in favour of the person whose design is registered but mere earlier registration of a design would not prevail against a latter registration. The Court held that if rights accrued on account of registration of design are infringed, then remedy is provided under Section 53 of the Designs Act but that Section does not in any way give preference to the earlier registration as against the latter one. Therefore, the net result is that firstly Section 41 does not provide for any remedy of injunction, etc. with a view to enforce prevailing of earlier registration as against the latter ones.* ***So, it was held that registration of design can, therefore, prevail and is to be protected against the infringement only when the opposite party does not possess any registration. So, it was laid down that obvious result is that if each of the party is having registration of design, each of them can use that design for its products****.*
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> *25.* ***No judgment has been brought to my notice by learned counsel for the plaintiff taking any contrary view. So, I am of the prima facie view that design of the defendant infringes the registered design of the plaintiff and it may be that registration of design made in favour of the defendant is liable to be cancelled but in view of the ratio laid down in case of M/s Tobu Enterprises Ltd (Supra) as long as both the plaintiff's***

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> ***design and the defendant's design stand registered, the plaintiff cannot be granted relief of temporary injunction. In order to safeguard the rights of the plaintiff, if ultimately they are established in the suit, at the most of the defendant can be required to maintain proper accounts of its sales of the goods under the disputed design till the disposal of the suit and file the copies of the statements of accounts in Court quarterly till the disposal of the suit."***

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and rejected the injunction and also stated that suit against the registered proprietor is not maintainable till the time the registered design stands cancelled. On the contrary, again in 1997, learned Single Judge of this Court in ***Alert India Vs Naveen Plastics*** *cited as* ***1997 PTC (17)***, (Justice J.B. Goel) took a diametrically opposite view while finding variance that the view taken by Hon'ble Justice G.R. Luthra in ***Tobu Enterprises Vs Megha Enterprieses (Supra***), in para 31 of his judgment observed thus:-

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> *"31. Tobu Enterprises Pvt Ltd. has simply been followed in Indo Asahi Glass Co. Ltd. Vs Jai Mata Rolled Glass Ltd and Another 1995(33) DRJ 317 (Delhi) by P.K. Bahri, J, but again without any discussion, as is clear from the following statement made in para 25 of the judgment (at page 326),* ***"…. So, I am of the prima facie view that design of the defendant infringes the registered design of the plaintiff and it may be that registration of design made in favour of the defendant is liable to be cancelled but in view of the ratio laid down in case of M/s Tobu Enterprises Pvt Ltd, (supra), as long as both, the plaintiff's design and the defendant's design stand registered, the plaintiff cannot be granted relief of a temporary injunction." His lordship has apparently not noticed that the two designs in dispute in Tobu Enterprises case were found dissimilar which in itself was sufficient to disentitle grant of injunction."***

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61. The said judgment again proceeded to take opposite view on the ground that the main ground for rejection of injunction in Megha

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Enterprises (supra) was a difference in design in that case and not the maintainability of actions. Such was not the case as Megha Enterprises clearly did venture into the discussion of maintainability of suit for infringement against the registered proprietor and availability of the right of passing off. Alert India (supra) also proceed to take a different view on the ground that the original design must originate from the author and therefore the court is within its domain to declare who is the author and owner of the said design between two registered proprietors. The Court in the case of Alert India (Supra) relied upon the judgment of Allahabad High Court and Lahore High court rendered in ***Mohd Abdul Karim Vs Mohd Yasin & Anr. AIR 1934 All. 798 (DB) and Qadar Bakhsh Vs Ghulam Mohd AIR 1934 Lahore 709***, while departing the view of Tobu v. Megha (Supra) as well as Indo Asahi(Supra). The same finds mention in para 30 of the order in Alert India in the following manner:-

> *"30. The case of the plaintiff is that the plaintiff are manufacturer of these goods, their goods are of superior quality, their sales are of Rs.50 lacs and their design is registered w.e.f. 11.10.1995 whereas the design of the defendants was registered on 4.3.1996. The plaintiff's design had obviously been already published when defendant started manufacturing and sale of the goods for which he got his design registered. If the two designs are same or identical in that case the defendant whose design was registered much later cannot be said to be proprietor of a new or original design not previously published in India. As has been held by Allahabad High Court and Lahore High Court, noticed earlier, a person claiming to be proprietor of a registered design which his not new or original and which is being used by others since prior to his resignation, of such design, notwithstanding such registration, is not entitled to legal remedies provided under section 53 of the Act. The defendant would not be entitled to seek legal remedies under section 53 of e Act against the plaintiff in case he was to*

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file a suit against the latter. Can such a registered design be availed by him as a shield in a suit filed by the plaintiff under section 53? In my view, the answer is to be in the negative. The defendant, if he is found to be a pirator of the design of the plaintiff, would not be entitled to defeat the just and legal right of the plaintiff available under the law. The plaintiff in that case would be entitled to relief of injunction under Section 53."

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62. Thereafter, learned single judge proceeded to observe the view rendered in Tobu and Indo Asahi is incorrect/ erroneous. Again the said view taken by Hon'ble Justice J. B. Goel although delves into the question of authorship and ownership of the designs which only comes into play when the court is empowered to examine the validity of design in infringement proceedings. It is seen by reading Section 22(3) of the Designs Act, 2000 or for that matter the corresponding provision of the old Act of 1911 that there are only limited powers to the court to examine the challenge which is laid as a matter of defence and not otherwise which means that the court can see the design registration of the plaintiff and cannot examine any certificate relied upon by the party in an infringement proceedings. Furthermore, it is only in infringement proceedings under section 22 (2) such powers under section 22 (3) can be invoked. If there are no infringement proceedings at the first place as the defendants being a registered proprietor will not fall within the ambit of "any person" then, the court cannot examine such validity by presuming that the infringement proceedings are maintainable. If that is so, then again the correctness of the view taken by learned Single Judge in Alert India becomes questionable.

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In the case of ***M/s Smithkline Beecham Plc & Ors. Vs M/s Hindustan Lever Limited & Ors*** reported as ***1999 PTC 775***, Hon'ble

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Mr. Justice M.K. Sharma, learned Single Judge of this court has arrived at the conclusion that the passing off remedy is available basing upon the distinct right emanating from two distinct situations. The learned Single Judge observed thus:

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> ***"13. Having arrived at the aforesaid finding it would thus be necessary during these proceedings to scrutinies and ascertain as to whether the plaintiffs have been able to prima facie show that there has been passing off by get up in relation to the OZETTE tooth brush having regard to the FLEX medal of the plaintiffs. At this stage it would also be necessary to deal with the contention of the counsel appearing for the defendants that no action for passing off could lie or be entertained in respect of a matter relating to design. According to the defendants the design law frowns upon monopolies as it is in public interest that inventions and improvements enter the public domain and are freely available for public use and therefore in such a situation public interest supersedes the individual interest of a person claiming ownership over intellectual properly. In support of the contention, the counsel for the respondent relied upon the decision of this court in <u>Tobu Enterprises Pvt. Ltd. v. Megha Enterprises</u>; reported in 1983 PTC 359. Relying on the said decision of this court learned counsel submitted that the definition of design as given under section 2(5) of the Designs Act having excluded the trade mark from its purview, the remedy against passing off is specifically excluded under the Act as there is no section similar to that of Section 27 of the Trade and Merchandise Marks Act, 1958. The aforesaid submission was considered by me after taking notice of the provisions of the Designs Act as also the decisions relied upon in respect of the said contention by the counsel appearing for the parties.***
>
> **Rights under the registered design are set out in the Designs Act itself whereas the law of passing off is carved out under the Common Law Rights and therefore, both the rights are distinct and different**. The contention of the counsel appearing for the respondents that there can be no monopoly in respect of a design is also without any merit for the provisions of the Design Act itself provide for having monopoly over such a design for a

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statutory period. Only after expiry of the aforesaid statutory period inventions and improvements go into the public domain and could be made freely available for public use but till then the inventor or the registered owner of the design have a monopoly over the said design in terms of the provisions of the Design Act. The Plea that concept of passing off cannot be made applicable to a case of design is also equally without merit. As delineated above, the registered design and Common Law rights are distinct and different rights arising from two different situations. Infringement right accrues on the basis of the provisions of the Design Act whereas the passing off rights accrue on the basis of Common Law rights. It is true that there is no similar section to that of section 27 of the Trade and Merchandise Marks Act in the Design Act. Section 27(2) of the Trade and Merchandise Marks Act gives a statutory recognition to the passing off rights making the said rights a statutory right as well but that does not mean that in absence of a similar provision to that of the provisions of Section 27 in the Trade and Merchandise Marks Act the right of passing off would not be available to a case of design. If such a right is available to someone under the Common Law rights that could well be enforced even though the same is not statutorily recognised under a Statute. In this connection reference may be made to a subsequent decision of this court in ***Tobu Enterprises Pvt. Ltd. v. Joginder Metal Works***; . I am, therefore, inclined to hold that passing off action is also available to case of design and such right could be enforced provided the same is available in accordance with law even in a case of design, for otherwise a latitude would be given to a manufacturer to misrepresent and to deceive unwary customers by manufacturing and selling its products as that of products of some other manufacturer or seller. Such course would also allow unscrupulous manufacturer or dealer to take recourse o confusing the unwary customer/public to purchase some goods which it was unwilling to purchase but being deceived and/or confused proceeded to purchase the same believing it to be products and goods manufactured and sold by the actual manufacturer or dealer."(Emphasis Supplied).

63. Thereafter, again the inconsistency prevailed when the judgment was rendered in the year 2001 in the case of ***SS Products of India Vs***

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Star Plast *cited as* ***2001 PTC 835 (Del***), wherein again the same question arose and the judgment rendered in Tobu and Indo Asahi was approved by the learned Single Judge V.S. Aggarwal. The said judgment notes as under:-

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> *"7. Reference in this connection with advantage can well be made to the decision in the case of M/s Tobu Enterprises Pvt. Ltd. vs. M/s Meghna Enterprises 1983 PTC 359. Relying on the cited decision, this court later in the case of Indo Asahi Glass Co. Ltd. vs. Jai Mata Rolled Glass Ltd. & Anr. 1995 I AD (Delhi) 110 held:*

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> *"... as long as both, the plaintiff's design and the defendant's design stand registered, the plaintiff cannot be granted relief of temporary injunction. In order to safeguard the rights of the plaintiff, if ultimately they are established in the suit, at the most the defendant can be required to maintain proper accounts of its sales of the goods under the disputed design till the disposal of the suit and file the copies of the statements of accounts in Court quarterly till the disposal of the suit.*

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> *One finds in respectful agreement with view point so expressed."*

64. The view expressed in ***M/s Smithkline Beecham Plc & Ors. Vs M/s Hindustan Lever Limited & Ors*** was again followed in ***Smithkline Beecham Consumer Healthcare GMBH v. G.D. Rathore; 2002 (25) PTC 243 (Del.)*** with the same rationale by the learned single judge of this court.

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65. In the case of ***Vikas Jain Vs. Aftab Ahmad and Ors., 2007(37) PTC 299(Del)*** by Hon'ble Justice Badar Durrez Ahmed, the view taken in Alert India (supra) has been approved. The Hon'ble Judge observes as under:-

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> *"13. Furthermore, not much turns on the factum of the defendant being the registered proprietor of the design under registration no.198624. Firstly, the registration of the plaintiff's design is prior in time. The plaintiff's design was registered on 23.2.2004, whereas the defendants' design was registered on 1.3.2005. The fact that the plaintiff's registration is prior in time to that of the defendants' would entitle the plaintiff to prevent its infringement by the defendants. In Alert India (supra), a learned single Judge of this court held that a design registered later would not be entitled to protection against the first or prior registered proprietor of a design.*
>
> *Secondly, it must be kept in mind that the registration of a design under the said Act is procedurally different from the registration granted under the Patents Act, 1970 and/or the Trade Marks Act, 1999. Under both the Patents Act and the Trade Marks Act, prior to registration there is a substantive examination, publication before registration and provision for opposition before registration. These are all absent in the case of a registration of a design under the said Act. Therefore, mere registration of the design by the defendants would not confer a higher right (or even an equal right) on them than that available to the plaintiff. Thirdly, the design employed by the defendants, prima facie, is an obvious imitation of the plaintiff's design right up to the measurements of the various features as indicated above. Even the colour is similar"*

66. Again, an opposite view was taken in the case of ***Servewell Products Pvt Ltd & Anr. Vs Dolphin*** *cited as* ***2010(43) PTC 507 (Del.)*** wherein both the parties were registered proprietor of the design and the injunction relating to the same was effected. Therefore, the view has always been inconsistent to each other and the judgment after judgment learned Single Judges of this Court are taking opposite views to each other. But, it is still to be looked into as where are the

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discussions relating to three pillars (as mentioned in ***Megha (supra)***) on the basis of which, it can be said conclusively that the suit against the registered proprietor is not maintainable as it is purely a statutory remedy and does not entitle to the Court to look into the validity of the defendant's registration howsoever bad or good it may be. All these discussions do not find mention in any of the judgments mentioned above as view after view has been approved in one case or the other and never ever an occasion has come to analyze the same from the very beginning.

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67. The correctness of the views either in Tobu as well as Alert (supra) has been doubted upon by the learned Single Judge in the case of ***Hindustan Lever Limited Vs Lalit Wadhwa & Anr.*** reported as ***2007(35) PTC 377 (Del.***) in the following terms:-

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> *"22. As noticed hereinabove, the claims under a patent having an earlier priority date have specific protection against any claim for patent having a later priority date. This is a fundamental difference in the present case, when compared to the statement of law contained in Tobu Enterprises (Supra) pertaining to the Designs Act, 1911. Consequently, the decision in Tobu Enterprises (Supra) in any case cannot be relied upon in a case governed by the Patents Act.* ***I may notice that Tobu Enterprises (Supra) has been disagreed to by another single bench decision of this Court in Alert India (Supra). However, I am not getting into the controversy, as to which of the two views is correct, and whether the earlier or the later view is per in curium, since in my view it is unnecessary for me to do so far the purposes of the present case****. Moreover, being only a tentative view on a prima-facie evaluation of the merits of the case, interim orders do not constitute binding precedents, not even in the same case in which they may be passed, much less in the facts of another case."*

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68. In this context, it is also noteworthy to mention that independent of all these views expressed by single learned Single Judge of Madras High Court in the case of ***Eagle Flask Industries Pvt Ltd. Vs Bon Jour International & Anr.*** reported as ***2011(48) PTC 327 (Mad.)*** by Hon'ble Justice Ramasubramaniam, has come almost akin to the conclusion which was rendered by Hon'ble Justice G.R. Luthra way back in the year 1983 without being influenced by any of the views expressed by this Court in any of the cases and the learned Judge has considered only the plain provisions and proceeded to observe thus:-

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> "*7. While it is true that the applicant/ plaintiff holds registration of their flask under design registration nos.174903 and 174904, as borne out by the plaint documents, it is equally true that Mr. Raman Gupta, the partner of the first defendant, also holds the registration of the design of the vacuum flask manufactured by the first respondent, as disclosed by document No.3 filed on the side of the respondents. It is claimed by both parties that both parties have filed applications before the controller of Designs for the cancellation of the registration of each other and the proceedings are pending. In such circumstances, I am of the considered view that both of them are not entitled to prevent each other from manufacturing and marketing the product in respect of which they hold registration.*
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> *8. It is true that the Designs Act, 2000 does not contain a provision which is similar to the provisions of Section 30(2) (e) of the Trade Marks Act, 1999: Under Section 30(2) (e) of the Trade Marks Act, it is made clear that a registered trade mark is not infringed where the use of the registerd trade mark is in exercise of the right to the use of that trade mark given by registration under this Act. Therefore, no proprietor of the registered trademark can complain of infringement of his registered trade mark by another, if the other person uses his own registered trade mark. A similar provision does not exist in the Designs Act, 2000. But, it does not mean that the general*

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> *principles which guide the Court in deciding an application for in injunction cannot be invoked, merely because those principles also find a place in one of the related enactments. The principles which form the basis for the provision contained in Section 30(2)(e) of the Trade Marks Act, 1999 are based upon the general principles relating to the extent up to which the rights conferred by the statute would go. The rights conferred by statute on a person could travel only as far as the area of operation of another person's similar right commences."*

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69. Learned Single Judge therefore did not grant the injunction while comparing the Trade Marks Act with that of Designs Act and by stating that the suit against the registered proprietor is not maintainable.

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70. On a separate note, I may also mention that there was a view given 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 vest 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:

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> "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

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will be maintainable. Hence, the decision in the suit depends largely on the result of the two applications for revocation."

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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 away divested to hear cancellation petition, thus the High Court in a limited sense in a defence to an infringement suit as per section 22 (3) can examine the validity of the Designs. But that does not mean that the said power can be equated with that of the cancellation.

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If, Section 22 (3) power is equated with that of the uncontrolled power to cancel the design and maintainability of infringement suit despite both the parties are registered proprietor would lead to Court conferring the powers of cancellation and High Court shall culminate into the cancellation court. It is only in a limited sense, the said powers are provided to examine it as a defence and not in all cases to proceed to scrutinize the design. So if that view is to be believed, then till the time, one of the Design is cancelled, the suit for infringement cannot proceed and cancellation will lie only before the Controller as per the new Act. This is another reason why I am taking the view in the present case.

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71. Thus, it is clear that there are almost equal views dissenting each other by the learned single Judges of this Court whereas in ***Tobu Vs Megha, Indo and Servewell (supra)*** and the learned Single Judge

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of Madras High court, all took one line of view which is suit against the registered proprietor is not maintainable and on the contrary, the view rendered in ***Alert (supra)*** which has been approved took a diametrically opposite view to the decision rendered in ***Tobu (supra)*** by distinguishing it on one count or the other but does not delve into the detailed enquiry as to how the views in ***Alert India (supra)*** and subsequent judgments thereof can answer the following propositions which are based upon the scheme of Designs Act and can be seen by plain reading of the section:-

a) Once the design right is statutory in nature, then how two persons who are having equal statutory rights can sue each other in infringement.

b) As observed above that any person under Section22(1) and 22(2) must be the person other than the registered proprietor in order to make the section workable then how the views taken in ***Alert (supra)*** and subsequent approvals can support the said interpretation from plain reading of the provisions.

c) As Section 22(3) of the Designs Act permits only a challenge to proceedings under sub section (2) which is the proceeding available that any person who contravenes Section 22(1) in favour of whom there is no right to apply the said design is available under Section 22(1), then how if the said proceedings are not maintainable as the said right to apply the design inures to such defendant who has got the certificate of design and when the said right is statutory in nature

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does not bring him within the ambit of any person under sub section (1) and (2) can be sued for infringement of registered design and consequently the court can proceed to examine the correctness of the said certificate once the proceedings under sub section (2) shall not be maintainable at all.

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d) When there is no residuary right of passing off either saved or preserved under the Designs Act, 2000 and in view of the principles of law laid down by the Hon'ble Supreme Court in ***Kedar Nath (supra)*** upto ***Sandur Manganese (supra)*** the common law must be excluded where the subject is governed by Statute then how residuary right of passing off can be said to be remained/ saved axiomatically when the Statute does not preserve or save any such right.

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72. All these aspects do not find mention in the views expressed in ***Alert India (supra)*** and the approvals thereafter proceeded to examine the correctness of the defendant's registration howsoever good or howsoever bad it may be on the premise that the enabling provision under Section 22 (3) of the Designs Act enables the Court to examine the design certificate in its widest terms without realizing that the said section only contemplates a limited kind of eventuality wherein the suit for infringement is filed under sub section (2) or the legal proceedings is not done and the ground available can be asserted as a matter of defence and the court is empowered u/s 22 and not beyond the same. It is well settled that when the Statute /particular provision prescribes things or duty to the court or the Tribunal to perform in a particular

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manner, then it has to be performed in that particular manner to the exclusion of others.

My Views

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73. Accordingly, it is highly doubtful as to how the court can proceed to invalidate the registration when the suit against the registered proprietor is clearly not maintainable in view of sub section (1) and (2) of the Designs Act, 2000. In my view, given the analysis done above under the separate heads, the suit for infringement of registered design cannot maintained against another registered proprietor and the passing off right is not available alongside the purely statutory right under Design Act. The said right of passing off is available in a limited sense in Trade Marks Act wherein a party or suitor has to elect between the mutually inconsistent rights from each other.

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74. One more thing which needs consideration is the rationale which has been given in the line of authorities following the principle of law in Alert India (supra) which is that the courts are empowered to test the validity of the Design as the Design enactment is a weaker enactment where there is no level of scrutiny is provided and therefore taking a strict view as done in ***Tobu v. Megha*** would be giving a leverage to the Piracy. In my humble opinion, this view is correct to the extent that Design Act provides a low level of scrutiny by not providing a examination procedure at the time of filing of Design Application and no doubts can be expressed on that count. But if the powers of the court are themselves limited by the word of the statute and the same are statutory in nature wherein there is no room for sentiments or equity left over, then the court is left with nothing but to relegate the parties to the

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cancellation court where such scrutiny can take place. If the courts are empowered to examine the validity in a limited sense as a matter of defence, then court will perform its duty as per the powers provided and prescribed under the Act. Giving a preference to one set of individuals over the other on the grounds of equity would be again going into the domain of equitable principles when they are not legislatively engrafted or saved. By doing so, this court is not giving any leverage to anyone but respecting the provisions of the law as they stand in the statute book.

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75. It is also noteworthy to mention that such areas of concerns arise not merely in IP statutes but in various fields of laws wherein the equity is at the one side but the statutory provisions on the other. Take an example of Delhi Rent Control Act wherein on equitable basis, one can imagine the increase in rent at the market rate but statute may not permit so in view of its avowed object to protect tenants. Then in those cases, it is not unusual for the courts to recite the principle of the law that the Courts are empowered to interpret the law as it stands on the statute book and not to legislate the same. The legislation or amendment is a domain of the legislature which it has to perform. Accordingly, if there are certain things which are required to be engrafted in order to lessen the piracy including the pre-grant scrutiny, then legislators in their wisdom may deem fit to amend the Design Act further but the court cannot enter into the domain of rewriting the law which is the duty of legislature to perform.

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76. In the case of ***Union of India & Anr. vs. Deoki Nandan Aggarwal, AIR 1992 SC 96***, the Supreme Court observed :It is not the duty of the Court either to enlarge the scope of the legislation.....The

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Court cannot rewrite, recast or reframe the legislation for the very good reason that it has no power to legislate. The power to legislate has not been conferred on the Court.

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Similarly in the case of ***Ajaib Singh vs. Sirhind Co-operative Marketing-cum-Processing Service Society Ltd. & Anr.***, ***AIR 1999 SC 1351***, the Supreme Court held that Court cannot fix a period of limitation, if not fixed by the legislature, the Courts can admittedly interpret the law and do not make laws. **The Court cannot interpret the statutory provision in such a manner which would amount to legislation intentionally left over by the legislature.** (**Emphasis Supplied**)

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77. Applying the said observations to the present case, this court even if wants to be equitable cannot do so by enlarging the scope of scrutiny prescribed by the law in the form of Section 22 (3) and cannot fill the legislative vacuum in this manner. On the other hand, it is upon the legislature to fill such legislative vacuum just like in Patents Act, the process of pre grant opposition and post grant opposition has been introduced in the Amended Act relating to Patents.

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78. These are my views in the matter. Although I have expressed my views in the matter as well as the analysis done above supports the same. As a matter of judicial proprietary and in view of judicially inconsistent opinion existing in the field of law, I deem it expedient to refer these questions to the larger bench of this court. All these questions are required to be answered authoritatively by a larger bench of this court so that authoritative judgment may be rendered by the court discussing the legal position in detail so that the inconsistent

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trend of approvals and dissents can be put to *quietus* and there must be certainty in the field of law.

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79. Thus, this court deems it appropriate to refer these questions to the larger Bench for their kind consideration, as finding of which would help many Courts to decide various pending cases and many more to come in future of this nature.

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80. Accordingly, I deem it appropriate to refer the following questions to the larger bench which are:

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a. Whether the suit for infringement of registered Design is maintainable against another registered proprietor of the design under the Design Act, 2000 ?

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b. Whether there can be an availability of remedy of passing off in absence of express saving or preservation of the common law by the Design Act, 2000 and more so when the rights and remedies under the Act are statutory in nature?

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c. Whether the conception of passing off as available under the Trade Marks can be joined with the action under the Design Act when the same is mutually inconsistent with that of remedy under the Design Act, 2000 ?

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81. Let this matter be placed before Hon'ble the Acting Chief Justice for further directions on 27.04.2012.

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MANMOHAN SINGH, J.

MARCH 30, 2012

a *This print replica of the raw text of the judgment is as appearing on court website (authoritative source)*

Publisher has only added the Page para for convenience in referencing.

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