

# Designs: ensuring eye appeal

A design right protects a product's unique visual identity. However, the dual nature of this right can lead to considerable confusion

By Mohan Dewan, RK Dewan & Co

A cardinal rule of the law on designs is that the product or article to which a design is applied must appeal to the eye of a potential customer. A design, which equates to the external appearance of an article, is considered to be an IP right alongside patents, trademarks and copyrights. The application of intellect to drawings resulting in an artistic work that enjoys IP protection is commonly referred to as copyright. An artistic work that can be applied industrially (ie, mechanically or chemically) to an article is a subset of copyright, but this right is treated differently in most jurisdictions. The industrial applicability of the artistic work to a product is protected under design law; whereas if an artistic work is incapable of being applied physically to an article, it will be classified under copyright law. In fact, under Indian law, an artistic work *per se* – even if it is capable of being applied industrially – enjoys copyright until 50 articles bearing the design are produced. Once the 51st article is made, copyright ceases to exist; if the work has not been protected under the Designs Act by then, it will fall within the public domain. Of course, manufacturers must prove the reliability of their products to customers, but must also satiate their customers' visual appetite. Huge sums of money are spent on developing appealing designs, and the statutory protection of these designs is necessary to provide an incentive to designers and in turn encourage them to craft better designs in the future.

However, as a result of the dual nature of this right, there is considerable confusion both in fact and in law. Recently, this confusion has been compounded by the fact that the trademark law of various countries now includes three-dimensional and shape-related trademarks, allowing the shape of an article that becomes distinctive to be protected as a trademark. The reason for the confusion is that under the Designs Act, the protection is time limited (generally 15 years), after which the design is supposed to be in the public domain, which means that any person may apply the design to its article. The copyright in respect of an artistic work extends to 60 years or more, and under the Trademarks Act the right to a trademark is perpetual. Issues have now arisen as to whether, after the expiry of a registered design, the design can be protected as a trademark if it has become well known and distinctive of its owner. This is clearly contrary to design law.

The Designs Act provides a statutory mechanism for the protection and enforcement of innovative designs. It follows that of the Patents Act. Under the Designs Act, a design must pass the tests of originality and novelty.

The definition of a 'design' under the Designs Act is exclusive. When deciding the ambit of a design, the following points must be taken into consideration:

- The design primarily represents features of shape, configuration, pattern, ornament, colour or composition of lines.
- Such shape, configuration, pattern, ornament, colour or composition of lines should be applied to an article.
- Such article may be two-dimensional, three-dimensional or both.
- Any of these features must be applied by

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an industrial process or means which may be manual, mechanical or chemical.

- The application of the feature in the finished article must appeal to and be judged solely by the eye.
- Designs do not include any mode or principle of construction, or anything which in substance is a mere mechanical device.

In *Law of Copyright and Industrial Designs*, P Narayanan observed that: “The protection given for an industrial design under the Designs Act is not copyright protection but a true monopoly based on statute. Designs as such were never protected by the common law which was basically concerned with the protection of literary copyright. The Designs Act, unlike the Copyright Act, gives monopoly protection in the strict sense of the word rather than mere protection against copying as under the Copyright Act.”

#### Advantages of registration

“The essential rationale for Design Law is that a design enhances the article’s ‘saleable value’, and leads to an enhanced demand for it.” In order to protect a design right, registration is mandatory. Moreover, the Designs Act requires novelty, which means that an application for registration of a design must be made before publication of the design or marketing of the article bearing such design.

A registered design is a valuable business asset that can be bought, sold, transferred or licensed like any other property. A registered proprietor benefits from:

- the exclusive right to apply the design to the article;
- the ability to sue for infringement; and
- the ability to license or sell the design as property.

The new Designs Act excludes ‘artistic works’ as an additional category of subject matter from designs. The rationale and legislative intent underlying the exclusion came up for consideration before the Delhi High Court in *Microfibres Inc v Girdhar & Co* (January 13 2006).

Microfibres Inc was engaged worldwide in the business of manufacturing, marketing, selling and exporting upholstery fabrics. Microfibres filed a suit against Girdhar and Co for infringement of its copyright in “artistic works” applied to upholstery fabrics and for attempting to pass off its goods as those of the plaintiff.

The Delhi High Court dismissed Microfibres’ suit for injunction, holding:

*In order for the work to qualify as an “artistic work”, it must fall within the definition of sub section (c) of Section 2 of the Copyright Act. The comparison of upholstery fabric work with the paintings of M.F. Hussain would be otiose as the work in question, in the present case, is not a piece of art in the form of a painting. The originality is being claimed on the basis of the arrangements made. What cannot be lost sight of is the very object with which such arrangements or works had been made. The object is to put them to industrial use. An industrial process has to be done*

*to apply the work or configuration to the textile. The two important aspects are; the object with which it is made (which is industrial), and its ability to stand by itself as a piece of art.*

*Furthermore, the legislative intent is also to be kept in mind which is to provide protection for a certain period of time for commercial exploitation. It is a known fact that with regard to commercial exploitation under the Designs Act and the Patent Act, the period is much lesser as compared to the Copyright Act. In the present case, the configuration was made only with the object of putting it to industrial /commercial use. (Emphasis added.)*

### **Obvious and fraudulent imitation**

In order to constitute infringement of a design, it is necessary that a copy be a fraudulent or obvious imitation. The word 'imitation' does not mean an exact replica; rather, the court must decide whether the novel part of the created design also forms part of the infringing design.

The meanings of 'obvious imitation' and 'fraudulent imitation' were explained in *Pilot Pen Co (India) Pvt Ltd, Madras v The Gujarat Industries Pvt Ltd*, in which the court scrutinised the pen tops with clips of Champion and President Pens and compared them to the clip attached to the top of the Pilot pen. In this case the court found no infringement of the design. Further, in the judge's opinion, the clip in respect of which protection was claimed was of a common type, and hence protection was not granted.

An article is an obvious imitation of another when it is apparent to the naked eye that it has been copied consciously or unconsciously from the registered design. In other words, an obvious imitation is something which is closely similar to the original design.

Fraudulent imitation, which is based on a registered design, is an imitation which may be less apparent than an obvious imitation. It may be an imitation of the original design, but need not be obvious to the naked eye. The burden of proof always rests with the alleged infringer, which must prove that his or her design is not a fraudulent imitation.

### **Passing off**

Passing off occurs where one party attempts to pass off its goods and services as those of another. The passing off of a design is a fraudulent act not expressly mentioned under the Design Act 2000, but falling under the ambit of the common law.

In an action for passing off, it is necessary for the aggrieved party to show that the respondent intentionally or negligently misled consumers into believing that its goods or services originated from the aggrieved party, and that it thereby suffered damage.

Passing off also includes making false representations to the public or to any third party. It is likely to induce customers to believe that the goods or services of another trader are those of the aggrieved party. Passing off generally causes harm to a business or the goodwill in that business. This may be done, for example, by counterfeiting or imitating the applicant's design, trade name, wrappers, labels, containers or vehicles, the badges or uniforms of employees, or the appearance of its place of business. The test laid down in such cases has been whether the resemblance is so great as to deceive the ordinary customer such that he or she mistakes one for the other, even after he or she takes the reasonable precautions usually exercised in such transactions.

### **Case study**

In *Micolube India Ltd v Rakesh Kumar Trading as Saurabh Industries* the court dealt with the following issues:

- whether an infringement suit filed by a registered proprietor against another proprietor holding a design registration was admissible;
- whether the remedy of passing off was available under the Designs Act; and
- whether a suit for passing off and a suit for infringement could be combined.

Both parties were engaged in selling petroleum products, brake and clutch fluid, lubricating oil and greases and other related products. Both were granted separate design registrations for similar containers by the controller of patent and designs in Kolkata, and such containers constituted core parts of their businesses. A suit for infringement, along with

an application for an interim injunction, was filed by one party against the other.

In an order of May 15 2013, the Division Bench of the Delhi High Court opined that the statute itself confers remedies available to a registered proprietor. Even if both parties are registered proprietors, the remedy of infringement is available to each against the other. The judges opined that the expression “any person” found in Section 22 of the Designs Act does not exclude a subsequent registrant from being liable for infringement of a registered design.

It was also held that the remedy of passing off would be available to the registered proprietor, provided that the necessary criteria to maintain the proceedings are present, including the use of the registered design as a trademark generating goodwill for the business. The plaintiff also needed to plead specifically for the relief with regard to passing off. A majority of the three-judge bench held that a combined suit for remedy against infringement of a registered design and passing off would not be feasible in any case, as the causes of action would differ in the two cases.

The Bombay High Court had a different opinion on this issue – in *Whirlpool v Videocon* (see below) the court allowed the pleadings regarding both passing off and infringement in a single suit and passed judgment against Videocon. A special leave petition is pending before the Supreme Court and, once the case is decided by that court, the law in this regard will be clarified.

### **Infringement where both designs are registered**

In *Britannia Industries v Sara Lee Bakery* the Madras High Court observed that one of the tests to find out the identity of the design is to determine whether there are substantial differences between the designs. The differences should be objective in the essential features and the conclusion is to be arrived at by visual examination.

In *Whirlpool v Videocon* the Bombay High Court had to consider whether a design registration under the Designs Act 2000 afforded a monopoly only in respect of the design as a whole, and not of each individual aspect of the design. Judge BR Gavai held that

the registered proprietor’s monopoly relate to the shape only, and the other aesthetic differences were not considered even though they distinguished Videocon’s design from that of Whirlpool. The underlying principle behind the law of infringement, as construed from *Whirlpool v Videocon*, is the fact that for any product, the totality must be compared and contrasted, rather than every minute detail.

### **Comment**

At a time when corporations are battling for market share and customer bases, protecting products through the armour of the Design Act 2000 adds to the rights holder’s artillery by protecting a product’s unique visual identity. ●●●●●

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Mohan Dewan has the unique distinction of being both a well-known litigator and a strategist in the IP field for over 40 years. He has the technical skills of patent drafting, prosecution and expertise in trademark prosecution, IP rights teaching and training, negotiating technology transfers, IP rights litigation and IP rights valuation.

Dr Dewan is a registered patent and trademark agent, and a physicist with a master's in law from Mumbai University. He has taught IP rights and international law at the University of Natal. He is also qualified in electrical and electronic engineering and programming. Dr Dewan has obtained over 3,000 patents worldwide for more than 4,000 clients.