

Passing Off & Designs

Mrs. Prathiba M. Singh, Senior Advocate

L.L.M (Cantab)

Office: F-11, Jangpura Extension, New Delhi -110014

Phones: (011) 24314741

Email: prathiba@pmsingh.in

SMITHKLINE BEECHAM CONSUMER HEALTHCARE GMBH VS. HINDUSTAN LEVER LIMITED; 2000 (52) DRJ 55

1. The Plaintiffs had instituted a suit against the Defendants for infringement and passing off action with respect to the Plaintiffs' ACQUA FLEX and ACQUAFRESH FLEX N' DIRECT tooth brush designs.

2. Although the suit eventually was not decreed in favour of the Plaintiff, the law relating to passing off in designs was established. The Hon'ble Court observed that infringement and passing off are two distinct remedies as the former accrues from a statute and the latter from Common Law.



3. The Court held that Section 27(2) of the Trade and Merchandise Marks Act, 1958 gives a statutory recognition to the passing off rights making the said rights a statutory right as well and absence of the same in the Designs Act does not mean that the said right is not available in the case of a design.

MICOLUBE INDIA LIMITED VS. RAKESH KUMAR & ORS.
(CS(OS) NO. 384/2008) & MOHAN LAL VS. SONA PAINT &
HARDWARES (CS(OS) NO. 1446/2011) [2013 (55) PTC 61 (DEL).]

Landmark Decision by the Delhi High Court

- ▶ The following issues arose for consideration
- 1. Whether a suit for infringement of registered design is maintainable against another registered proprietor of the design under the Designs Act, 2000?
- 2. Whether the remedy of passing off is available to the proprietor of a registered design in absence of express saving or preservation of common law of Designs Act, 2000 and more so when rights and remedies under the Act are statutory in nature?
- 3. Whether the conception of passing off as available under the trademarks can be joined with the action under the Designs Act when the same are mutually inconsistent?

With respect to the 2nd Issue, that whether the remedy of passing off is available to a registered owner of a design in absence of an express provision in the Designs Act, 2000, the Full Bench of the Delhi High Court observed that to establish a passing off action, the Plaintiff would have to establish the following ingredients –

- i. That there was goodwill or reputation attached to the goods or services which the Plaintiff;
- ii. That the Defendant had employed mis-representation which made the consumers believe that the Defendants goods were those of the Plaintiff. It was no defence in an action of passing off that the mis-representation was unintentional or lacked fraudulent intent;
- iii. That the Defendant's action had caused damage or was calculated to cause damage.

The Hon'ble Delhi High Court in 2011 had observed that an action for passing off could not be initiated by a registered owner of a design as the said remedy was not available under the Designs Act. However, the Full Bench reversed the earlier observation and relying on McCarthy on Trademark and Unfair Competition noted that dual protection may exist under the two IPR regimes of design law and trademark law especially in case of a shape. The Court ruled that while simultaneous registration as a Trade Mark and design was not permitted, there was **no bar on a design being used as a Trade Mark post its registration**. The Court therefore held that dual protection under Design law and Trade Mark law was permitted.

As the Designs Act, 2000, does not contain an express provision like that of the Trademarks Act, 1999 for passing off action, by virtue of legislative intent, the same must not be made available. In the said case, the Full Bench of the Hon'ble Delhi High Court went on to observe that an action for passing off of a design was a separate cause of action with a different remedy available and though a passing off action could be instituted by a registered design owner, the said action could not be combined with a suit for infringement of the design.

DESIGN

```
graph TD; DESIGN[DESIGN] --- INFRINGEMENT[INFRINGEMENT]; DESIGN --- PASSING_OFF[PASSING OFF];
```

INFRINGEMENT

the basis for a suit for infringement under the Designs Act was based on the **uniqueness, newness** and **originality** of the design

PASSING OFF

An action for passing off is opted for when a party was misrepresenting by using the Plaintiff's trade mark, the consequences of which includes damage to the reputation and goodwill of the Plaintiff and Plaintiff's goods.

The Hon'ble Judges of the Full Bench of the Delhi High Court observed as hereunder:-

“The plaintiff would be entitled to institute an action of passing off in respect of a design used by him as a trade mark provided the action contains the necessary ingredients to maintain such a proceeding. The argument that such a suit could be instituted only after the expiry of the statutory period provided under Section 11 of the Designs Act, does not find favour with us. This is for the reason that in a given fact situation the plaintiff may have commenced the use of the design as a trademark after its registration. While Section 2(d) of the Designs Act excludes from the definition of a design, any trademark which is defined as such in clause (v) of sub-Section (1) of Section 2 of the 1958 Act or property mark, as defined in Section 479 of the IPC, or any artistic work as defined in clause (c) of Section 2 of the Copyright Act - the use of the design as a trademark post its registration, is not stipulated as a ground for cancellation under Section 19 of the Designs Act.”

Exclusive rights acquired in a Trade Dress

The Delhi High Court, in a landmark decision, held that not only can one acquire rights exclusive rights to the trademark, but also to packaging of a product, by way of long and extensive use.

The Plaintiff, Sanjay Kapoor, had been using a unique and distinctive packaging for his products, namely tea leaves, sold under the trade name (and mark) “Sancha” since 1989.

The Defendant, Dev Agri Farms Pvt. Ltd. began using identical/deceptively similar packaging in the year 2008 for identical products.

The Ld. Single Judge observed the importance of packaging of a product in the present era of consumerism. The Ld. Judge, while holding that the Plaintiff was entitled to a grant of interim injunction, observed the following :-

1. The trade dress/ packaging of the plaintiff is part of the essential features on the basis of which the plaintiff's product is identified. The trade dress/ packaging is prima facie distinctive and forms an intrinsic part of the goodwill and reputation of the Plaintiff in the market
2. Trade dress was given brand identity for the first time.



Plaintiff's
Product



Defendant's
Product

Gorbatschow Wodka K.G. v. John Distilleries Limited 2011 (47) PTC 100 (Bom)

The Ld. Judge granted an interim injunction in a passing off action against a defendant, which had a registered design in its favour. The plaintiff in that case filed a passing off action against the defendant in which he asserted that the shape of its Wodka bottles was distinctive and formed an intrinsic part of its goodwill and reputation.



The plaintiff claimed that, it had registered the shape of its bottle in various jurisdictions across the world, and that, in India, it had applied for registration of the shape of its bottle, as a trademark under the Trademarks Act.

The defendants, had obtained registration under the Designs Act and thus inter alia pleaded that an action for passing off would not lie.

The Bombay High Court held as follows: -

“15. *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.*”

Whirlpool of India Ltd. Vs. Videocon Industries Ltd. 2014(60)PTC155(Bom)



Facts:

- ▶ The plaintiff was the registered proprietor of two of its designs.
- ▶ The plaintiff filed the suit for infringement of design claiming that the defendant's product was on a visual look indistinguishable from the plaintiff's product. It claimed that the defendant's product had the same or similar design, features of shape, configuration colour scheme and pattern as the plaintiff's product and designs.
- ▶ During the pendency of the proceedings, the Defendant's design got registered.
- ▶ Therefore, the main issue of the case was whether a suit for infringement could lie against a registered proprietor of a design?

The Defendants raised the following defences: -

FUNCTIONALITY

- The Defendant attributed features of the Plaintiff's design to the functional requirements of the products in question, *namely*, the semi-automatic washing machines.
- The Court held that the Plaintiff was claiming that the external features of the washing machine, *namely*, the shape and configuration were their original design and were not claiming monopoly on any of the internal features such as the drum and/or apparatus used for washing the clothes, which were also the functional elements of the washing machine.

LACK OF NOVELTY

- The Defendant claimed lack of novelty in the Plaintiff's design. The Defendant claimed that the Plaintiff's design was a combination of known designs and that there was no original, new or novel shape in the Plaintiff's design. The Court dismissed this defense raised by the Defendant for the following two reasons.
- The *first reason* given by the Court was that the factum of novelty and originality in the Plaintiff's design was established by the fact that the Defendant who is in the field of manufacturing washing machines for the last many decades had not manufactured a model with a design similar to the Plaintiff's.
- The *second reason* was that as the Defendant itself had registered a design identical to the Plaintiff's, it cannot now contend that the Plaintiff's design is not novel or original.

TWO REGISTRATIONS

The third and last defense urged by the Defendant was built on the fact that the Plaintiff had obtained, on the same day, registration of two designs which had only minor variations from each other.

As their final defence, the Defendants raised the point of passing off and the requirements for establishing passing off: -

1. Goodwill attained by the Plaintiff;
2. The acts of the Defendant must amount to misrepresentation so that the consumers mistake the product of the Defendant with that of the Plaintiff;

They argued that consumers who buy washing machines do not buy them based on the external shape, configuration, colour scheme etc but based on the brand or the manufacturer of the washing machine. **The court disagreed with this contention and observed that: -**

“persons who are not as educated/ discerning as persons purchasing top end washing machines. The class of purchasers of such machines will not necessarily be educated persons in the cities but also include semi-literate or persons who are not literate in villages and/ or rural areas.”



The Hon'ble Bombay High Court observed as under; -

“A potential customer for such a washing machine will also include persons who had visited houses of others and have seen or heard reports about the Plaintiff's products. These persons will more often than not only have had a fleeting glimpse or distinct view of the Plaintiff's product in another household but may have received very positive reports about the machine from the purchaser thereof without naming the brand. Such persons may have also seen the Plaintiff's machine figure in advertisements or photographs and with the passage of time may have a fleeting recollection thereof, which are largely based on its distinctive shape and appearance. If such a person were to come across the Defendant's washing machine, such a person would immediately believe that this is exactly the machine he or she saw either at the residence of somebody else or in the photographs or advertisements seen earlier. In such circumstances, such person would immediately assume that the Defendant's products were what he or she had seen and/or heard so highly spoken about. Such a person would purchase the Defendant's product on the belief that it was the Plaintiff's product or was associated with the Plaintiff. This clearly constitutes passing off.”

Bharat Glass Tube Limited v. Gopal Glass Works Limited (2008) 10 SCC 657

Supreme Court upheld the decision of the single judge of the Calcutta High Court to reverse an order passed by the Asst. Controller of Patents canceling the registration of a design by the respondent under the Designs Act.

Facts: The respondents, Gopal Glass Works, registered their designs for diamond shaped glass sheets under the Designs Act, 2000 and were granted a certificate of registration for the same in the year 2002, thereby acquiring the exclusive right to manufacture and market glass sheets in the registered designs. The appellant however started marketing his glass sheets with the same design. The designs that were formed on the glass sheets were formed with the use of engraved rollers.

Whereas, the Respondents moved Court for an interim injunction, the Appellants approached the Assistant Controller of Patents for cancellation of the Respondent's design registrations.

Contentions raised by the parties



- ▶ The Respondents approached the Court for an interim injunction against the Appellants herein, as the Appellants were blatantly infringing the Respondent's design.
- ▶ The Respondent's countered that the prior designs as published and registered by the German Company was only with respect to engraved rollers and not their use, thereafter, on glass sheets.
- ▶ The Appellant approached the Assistant Controller of Patents contending that the Respondent's design was not 'new' or 'original' as is required under the Designs Act, 2000. The said design had already been published in the year 1992, by the German Website, and the Appellants provided evidence of the same. The Appellants further states that the same design was available on the UK Patent Office Website.

The Hon'ble Supreme Court of India upheld the decision of the Hon'ble High Court of Calcutta and observed the hereunder:-

“In the present case, design has been reproduced in the article like glass which is registered. This could have been registered with rexine or leather. Therefore, for registration of a particular configuration or a particular shape of thing which is sought to be reproduced on a particular article has to be applied. As in the present case, the design sought to be reproduced on a glass sheet has been registered and there is no evidence to show that this design has been registered earlier to be reproduced in glass in India or any other part of the Country or in Germany or even for that matter, the United Kingdom, therefore, it is for the first time registered in India which is a new and original design is to be reproduced on a glass sheet.”



LATEST DECISION OF THE DELHI HIGH COURT

EICHER GOODEARTH PVT. LTD V. KRISHNA MEHTA &
ORS

CS(OS) 1234/2014

JUDGEMENT PRONOUNCED ON – 29TH JUNE, 2015

“that even though the design is old in itself but if the same is applied to a new article to which it has never been previously applied, then the said design needs to be protected”

Plaintiff's Artwork

Falcon



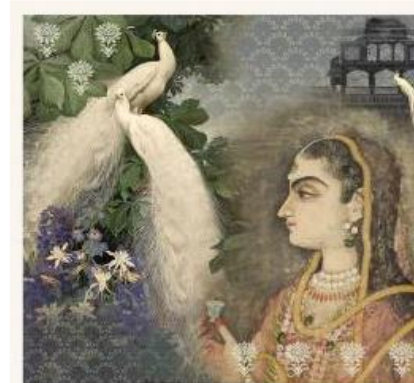
Serai



Rose
Princess



Defendant's Artwork



FACTS

- The Plaintiff contended that the Defendant, an ex-employee of the Plaintiff Company, was using visually, structurally and deceptively similar motifs, pattern, designs and piece of art of the plaintiff and selling their products with the impugned design on their website www.indiacircus.com.
- It is submitted by the plaintiff that the design team of the plaintiff creates unique designs with an inspiration from natural beauty like botanical images of flowers, leaves, mountain, trees or with an inspiration from lifestyles like Mughal images, luxury living etc.
- The plaintiff had created, conceptualized and designed various designs including SERAI, PERIYAR, VRINDAVAN, LOTUS, BALI MYNAH, ROSE PRINCESS and FALCON to be used on various products including bath sheets, table cloths, mugs, bowls, teapots, etc. under their GOODEARTH'S Collection.

- The main defense of the Defendants was that all the Plaintiff's works are not original and are inspired from artwork that is centuries old. The Defendant contended that the Plaintiff was not the owner of the same as no one can claim an exclusive right on the Heritage/Indian Tradition/Nature. Therefore, the designs of the Plaintiff do not satisfy the requirement under the Designs Act, 2000 and are thus not entitled to protection.
- The Hon'ble Court was satisfied that the Plaintiff had attained reputation and goodwill in its products and that the Defendant was committing acts of misrepresentation. However, it remained to be seen if the Plaintiff was the owner of the design, i.e., were the designs by the Plaintiff new and original.
- The Hon'ble Court observed that in an action for passing it was essential that firstly the design "*be used as a mark*", and such design/mark "identified the Plaintiff as the source of goods supplied or services offered. The Court was of the opinion that the Plaintiff had sufficiently proved that the said motifs, art works, patterns and design of the plaintiff itself act as a trademark, as a brand identity of the plaintiff and people who are familiar are immediately able to identify the products of the plaintiff even without the name being depicted on it.

- The Court observed that it is often the hallmark of all the well known designers that they use different sources of inspiration to come up with a new collection. It is submitted that what has to be considered is the creative manner in which the inspiration is used and the manner in which such designs are applied to the products.
- Citing the decision of the Supreme Court in *Bharat Glass v. Gopal Glass*, the Ld. Single Judge held that it is a well settled law that even though the design is old in itself but if the same is applied to a new article to which it has never been previously applied, then the said design needs to be protected. The law has been crystallized in a catena of judgments wherein the Courts have held that in relation designs, expression “original” includes designs which though old in themselves but were new in their application.



Recently, the Delhi High Court has granted protection to the well known Toy manufacturing Company, OK Play for their toy designs, by way of ex parte ad-interim injunction.

The Plaintiff had filed a suit for infringement of trademark, copyright, passing off etc against the Defendant who was illegally copying the Plaintiff's designs. The Ld. Single Judge held that the defendants had replicated every element of the design of the body of the plaintiff's product including the colour combination and other nonessential and non-functional elements of the design as well.

Furthermore, the Defendants were fraudulently using the Plaintiff's mark as well on the packaging/box.



OK Play India Ltd. v. Mayank Aggarwal & Ors.
CS(OS) 2355/2015
Order dated - 07.08.2015