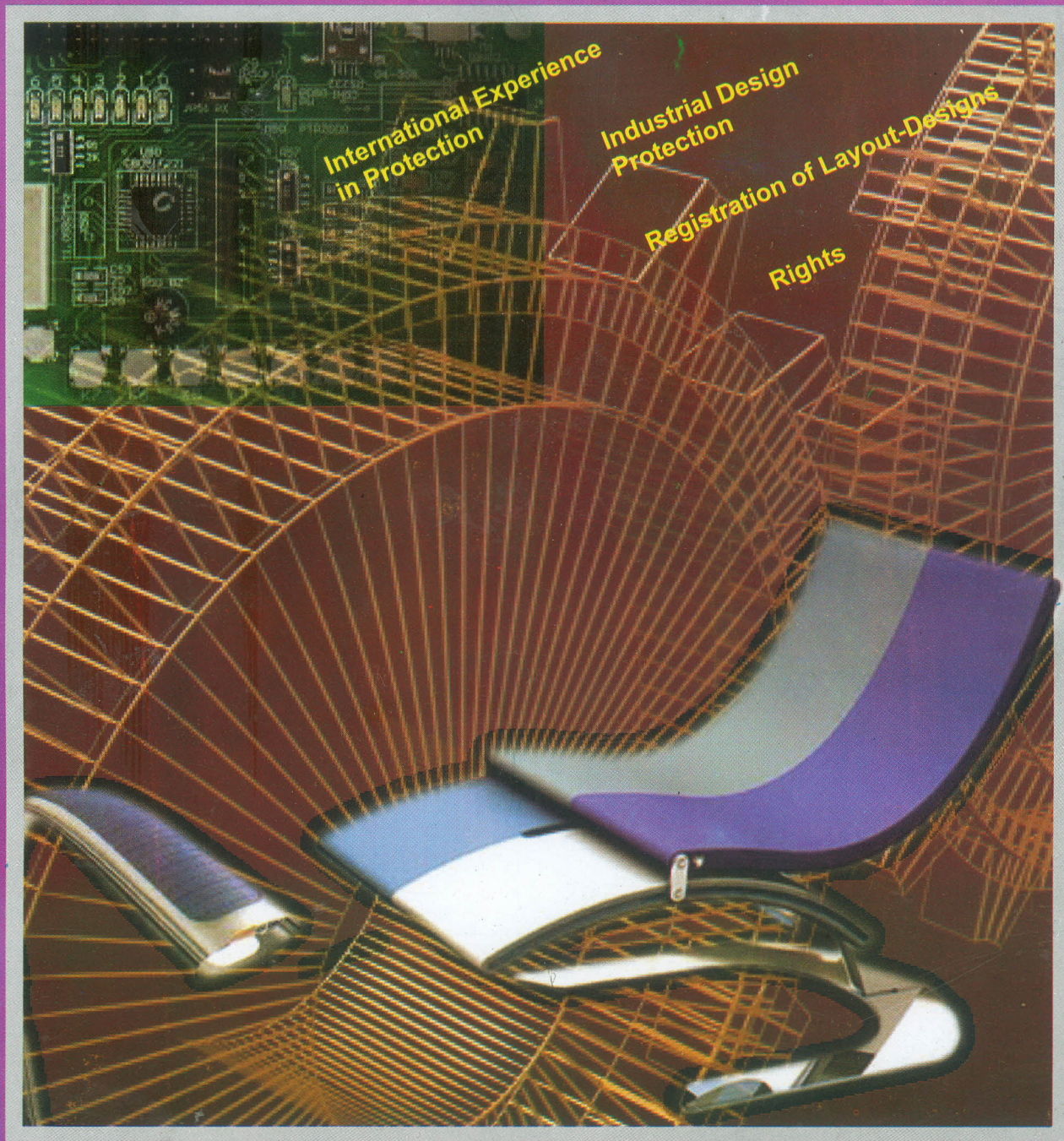


INDUSTRIAL DESIGNS AND LAYOUT DESIGNS OF INTEGRATED CIRCUITS AND UTILITY MODELS



Industrial Designs

1

“शिक्षा मानव को बन्धनों से मुक्त करती है और आज के युग में तो यह लोकतंत्र की भावना का आधार भी है। जन्म तथा अन्य कारणों से उत्पन्न जाति एवं वर्गगत विषमताओं को दूर करते हुए मनुष्य को इन सबसे ऊपर उठाती है।”

— इन्दिरा गांधी

“Education is a liberating force, and in our age it is also a democratising force, cutting across the barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances.”

— Indira Gandhi



Indira Gandhi
National Open University
School of Law

MIP-103 Industrial Designs and Layout Designs of Integrated Circuits and Utility Models

Block

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INDUSTRIAL DESIGNS

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MIP 103 INDUSTRIAL DESIGNS AND LAYOUT DESIGNS OF INTEGRATED CIRCUITS AND UTILITY MODELS

Industrial Designs and Layout Designs of Integrated Circuits and Utility Models.

This Course consists of three blocks.

Block 1 - Industrial Designs

Block 2 - Layout Designs of Semi-conductor and Integrated Circuits

Block 3 - Utility Models

Intellectual Property as we understand refers to the creations of mind: invention, literacy and artistic works, and symbols, names, images and designs used in commerce. In this Course we will be learning more about semiconductor circuits. In the first block we will be studying about Industrial designs details, the process of registration, the rights of the registered designs and also about infringement and remedies. In the second Block of this course the learners will be made acquainted with layout designs of semiconductor and integrated circuits and the third Block of this Course deals with Utility models, wherein the learners will be made acquainted with the scopy of utility model protection, the possible rights or utility models and also about the international experience in utility model protection.

Block 1 of the Course will be dealing with industrial designs. An industrial designs is that aspect of a useful article, which is ornamental and aesthetic. By protecting an industrial design, the owner is ensured an exclusive right against its unauthorised copying or Imitation by kind parties for a period of time which is 5 years, and which could be renewed up to a maximum of 15-25 years depending on the particular national law.

Block 2 of the Course will be dealing with Layout Designs of Semi-conductor and Integrated Circuits. Semi-conductor integrated circuits are the heart of modern information, commutation, entertainment, manufacturing, medical and space technologies and are now finding their way into items as ordinary as household appliances.

Block 3 of the Course will be dealing with utility models. Utility Models is an exclusive right started for an invention which allows the right holder to prevent others from commercially use the protected invention without his authorisation for a limit period of time. Utility model is similar to a patent. In fact utility models are referred as 'petty patent' or 'innovation patents'.

BLOCK 1 INDUSTRIAL DESIGNS

This Block consists of four units.

Unit 1: This unit deals with the scope of industrial design protection, wherein we have tried to explain the concept of industrial designs and its protection.

Unit 2: The Second unit of this block deals with the registration of Industrial Designs in detailed manner, the unit also deals extensively with the different steps involved for the protection of industrial designs.

Unit 3: The Third unit of this block deals with the meaning of copyrights in registered designs the details of the suit for infringement, licensing of designs right etc.

Unit 4: The fourth unit of this block deals with infringement and remedies thereof.

UNIT 1 SCOPE OF INDUSTRIAL DESIGN PROTECTION

Structure

- 1.1 Introduction
- 1.2 Objectives
- 1.3 Understanding Industrial Design
- 1.4 Evolution of Industrial Design
- 1.5 The Formulation of a Legal System for the Protection of Industrial Designs
- 1.6 Examples of Industrial Designs
- 1.7 Why Protect Industrial Designs?
- 1.8 How can Industrial Designs be Protected?
- 1.9 Criteria for Registration of Industrial Design
- 1.10 Proprietor of a New or Original Design
- 1.11 Duration of Protection
- 1.12 Worldwide Protection for an Industrial Design
- 1.13 What cannot be Protected by Industrial Design Rights?
- 1.14 How Extensive is Industrial Design Protection?
- 1.15 Examples of Industrial Design Protected through Intellectual Property Rights
- 1.16 Understanding Industrial Designs in Comparison with other Forms of Intellectual Property Rights
- 1.17 Summary
- 1.18 Terminal Questions
- 1.19 Answers and Hints
- 1.20 References and Suggested Readings

1.1 INTRODUCTION

What is Design?

The meaning of design is as follows:

- design means only the shape, configuration, pattern, ornament, or composition of lines or colours applied to every article
- the article may be in two dimensional form or three dimensional form or both forms
- the application of the design to the article can be any industrial process or means

- the industrial process or means maybe manual, mechanical or chemical. The manual, mechanical or chemical process or means may be applied separately or combined together
- the shape, configuration, pattern, ornament or composition of lines or colours in the finished article, appeals to the eye only and judged solely by eye.

Intellectual Property (IP) refers to creations of the mind: inventions¹, literary and artistic works, and symbols, names, images, and designs used in commerce. IP is divided into two categories: Industrial property, which includes inventions (patents), trademarks, industrial designs, and geographic indications of goods and Copyright, which includes literary and artistic works such as novels, poems and plays, films, musical works, artistic works such as drawings, paintings, photographs and sculptures, and architectural designs, and Related Rights, which include rights of performing artists in their performances, producers of phonograms in their recordings, and those of broadcasters in their radio and television programmes.

1.2 OBJECTIVES

One of the important forms of Intellectual Property Rights (IPRs) is Industrial Designs.

After reading this unit, you should be able to:

- define Industrial Design from the Point of View of IP Law;
- understand the fundamental qualifying features of Industrial Design;
- correlate the concept with simple examples;
- appreciate the rationale for protection of Industrial designs;
- quantify the fundamental steps towards protection of Industrial designs; and
- its scope of protection.

1.3 UNDERSTANDING INDUSTRIAL DESIGN

In our daily life we generally refer an Industrial design to product's overall form and function. In the context of Intellectual Property law, the definition of Industrial design is as follows:

An industrial design² is that aspect of a useful article which is ornamental or aesthetic. It may consist of three-dimensional features such as the shape or surface of the article, or two-dimensional features such as patterns, lines or colour. Industrial designs are applied to a wide variety of products of industry or handicraft: from watches, jewellery, fashion and other luxury items, to industrial and medical implements; from house ware, furniture and electrical appliances to vehicles and architectural structures; from practical goods and textile designs to leisure items, such as toys and pet accessories.

¹ As defined by the World Intellectual Property Organisation.

² Looking Good – An introduction to industrial designs for small and medium enterprises- Intellectual property for business – Number 2 - a publication of World Intellectual Property Organisation.

According to the ICSID (International Council of Societies of Industrial Design)³, “Design is a creative activity whose aim is to establish the multi-faceted qualities of objects, processes, services and their systems in whole life-cycles. Therefore, design is the central factor of innovative humanisation of technologies and the crucial factor of cultural and economic exchange.

1.4 EVOLUTION OF INDUSTRIAL DESIGN⁴

The evolution process of Industrial Design is closely correlated with industrial growth and output. Historically, German leadership in creating industrial design as a profession is well appreciated. The United States’ leadership in industrial design was established after the World War II. With increased Industrial output and capability it is perceived that a tendency towards “planned obsolescence” was initiated to indicate industry’s desire to produce consumer items that would be replaced even before their actual utility expired. Although the concept is often linked with the second half of the 20th century, it is likely that American industrialists saw this profit-making opportunity well before then.

The Scenario in UK

Importance of Design in textile Industries: Industrialisation and methods of mass production paved way for the emergence of protection for industrial designs. **The Designing and Printing of Linens, Cotton, Calicoes and Muslins Act of 1787** of United Kingdom granted protection for a period of two months to “every person who shall invent, design and print, or cause to be invented, designed and printed, and become the Proprietor of any new and original pattern or patterns for printing Linens, Cottons, Calicoes or Muslins.”

Recognition of Design as a fundamental element of all production and manufacture : The Designs Act of 1842, extended protection to “any new and original design whether such design be applicable to the ornamenting of any article of manufacture, or of any substance, artificial or natural, or partly artificial and partly natural, and that whether such design be so applicable for the pattern, or for the shape or configuration, or for the ornament thereof, or for any two or more of such purposes and by whatever means such design may be so applicable, whether by printing, or by painting, or by embroidery, or by weaving, or by sewing, or by modelling, or by casting, or by embossing, or by engraving, or by staining, or by any other means whatsoever, manual, mechanical, or chemical, separate or combined.”

Scenario in France

The Law on Literary and Artistic Property of 1793 was applied in certain cases to the protection of designs. The growth of the textile industries, in particular, soon led to the enactment in 1806 of a special law dealing with industrial designs.

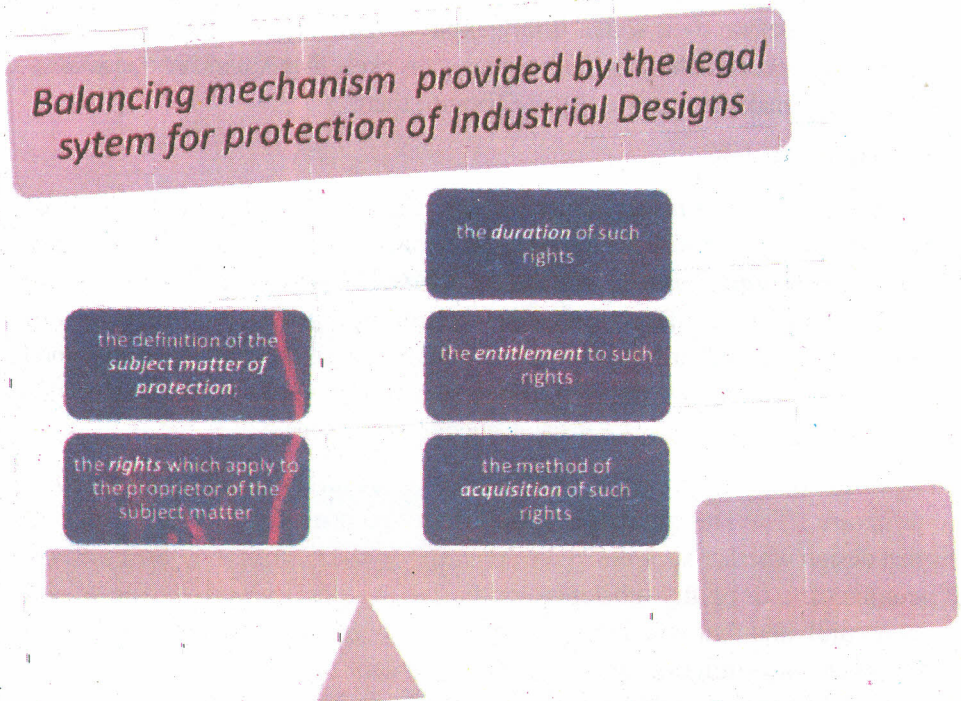
The Law of March 18, 1806, established a special council (Conciliation Board or Conseil de Prud’hommes) in Lyon responsible for receiving deposits of designs and for regulating disputes between manufacturers concerning designs. While initially destined for industries in Lyon, particularly those manufacturing silk, the system of deposit and regulation by special council was extended to other cities and, through judicial interpretation, to two- and three-dimensional designs in all areas of industrial activity.

³ www.icsid.org

⁴ WIPO Intellectual Property Handbook, 2nd Edition, 2004.

1.5 THE FORMULATION OF A LEGAL SYSTEM FOR THE PROTECTION OF INDUSTRIAL DESIGNS

The rationale for a legal mechanism for Protection for Industrial design is based on the fundamental principle that Intellectual Property laws need to provide efficient and effective protection, in order to promote human creativity and advancement of better designs to suit the needs of developing society. At the same time, there is the need for a balancing mechanism to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity. The balance of interest is attained by defining the scope and boundaries of following fundamental concepts:



The subject matter of protection of Industrial Designs

The most important point to understand is that the subject matter of the legal protection of industrial designs is not articles or products, but rather the design which is applied to or embodied in such articles or products. Most often, this is not understood. You may please note that the Design protection does not apply to articles or products in such a way as to grant the proprietor of the design exclusive rights over the commercial exploitation of those articles or products. The design protection only applies to such articles or products as embody or reproduce the protected design. The conception or idea that constitutes the design may be something which can be expressed either two-dimensionally or three-dimensionally.

For example: A Fountain pen can have variety of shapes and colours which can be protected through Industrial Designs. The rights do not restrict any other manufacturer from producing or dealing in similar articles provided that such substitute articles do not embody or reproduce the protected design.

Let us examine the following basic definition of “design” which is used in the Registered Designs Act, 1949 of the United Kingdom. It refers to “features of

shape, configuration, pattern or ornament". The Copyright, Designs and Patents Act 1988⁵, of the United Kingdom, also provides for a "Design right". Design is defined as referring to "any aspect of the shape or configuration (whether internal or external) of the whole or part of an article". The Design Law of Japan⁶ refers to "design" as meaning "the shape, pattern or colour or a combination of these in an article", and laws of France and Italy refer to both drawings or sketches (*dessins—two-dimensional*) and models (*modèles—three-dimensional*).

If you carefully examine the definitions above, you will note that the approach adopted is similar and there is an emphasis of both two-dimensional and three-dimensional designs. In addition, you may also appreciate the fact that the definition of the words "shape" and "configuration" are synonymous. It is well applied in three dimensional designs. Like, for example, Shape of a mobile phone, the configuration of a wheel chair, etc.

Similarly, the words "pattern" and "ornament" are also synonymous, and both refer to something embossed, engraved or placed upon an article for the purpose of its decoration or, in other words, to something essentially two-dimensional. Like for e.g.: The floral patterns in a handkerchief or a carpet.

Design Law of Japan states that it extends protection to designs capable of being used in industrial manufacture. Industrial applicability is one of the important criteria for Industrial Design Protection. Industrial Design can be protected only if the design is capable of being used in the Industry or in respect of articles produced in large scale. This is the essential difference between design and copyright.

The subject matter of design protection like shape, pattern, etc. is primarily an abstract concept. Therefore, one of the basic purposes of industrial design protection is the stimulation of the design element of production. It is, accordingly, a usual feature of industrial design laws that a design can be protected only if the design is capable of being used in industry, or in respect of articles produced on a large scale.

Article 25.1 of the TRIPS⁷ Agreement states that Members of the WTO may provide that industrial design protection shall not extend to designs dictated essentially by technical or functional considerations. TRIPS provides international framework for IP Protection laws. In most of the industrial design laws, you will notice that the functional aspects are excluded from the scope of Industrial design registration protection.

The rationale behind exclusions of functional aspects from the scope of industrial design protection is to prevent a too broad scope of Industrial design rights. For example a screw is produced by number of manufacturers and all of them provide the same utilitarian function. The shape of screw can be novel and can qualify for industrial design protection. But if you extend it to the functional elements it will exclude all manufacturers from producing similar products in the market. However, the patent law is one option which can be explored for protection of functional elements of the product provided it satisfies and qualifies the criteria of Patentability.

⁵ Section 213(2).

⁶ (Law No. 125 of April 13, 1959, as amended).

⁷ Trade related aspects of Intellectual Property Rights under WTO (World Intellectual Property Reference Organisation).

It is a requirement of all industrial design laws that protection through registration shall be granted only to designs which are novel or, as it is sometimes expressed, original. The novelty of the design constitutes the fundamental reason for the grant of a reward to the originator through protection by registration of the industrial design.

The biggest challenge is to ascertain the novelty of the design. While deciding the novelty of a particular design, it is important to establish the fact that the design for which the registration is sought is absolutely new against all other designs produced anywhere in the world. The disclosure could be either in tangible forms like printed documents, literature etc. or it can be oral means too. Though, the rights conferred to a design is territorial, i.e., restricted to the jurisdiction in which the design registration is sought, the criteria are universal.

Rights in Industrial Designs

The rights which are granted to the proprietor of a valid registered industrial design are intended to promote the fundamental basis of design law i.e. to promote and protect the design component of the industrial product. While copyright confers on an author the exclusive right to prevent the copying of artistic or literary work, industrial design law grants exclusive rights to prevent any unauthorised exploitation of the registered design in industrial article.

Entitlement to Rights

The ownership of rights conferred by law in an industrial design vests with the creator, author or originator of the industrial design. There are several questions raised on this point. First, who is entitled to legal protection in case of an industrial design that has been created by an employee? The answer is that the law usually provides that the entitlement to legal protection of the design shall belong the employer, or, to the person who has commissioned the design. The fundamental principle for this rule is that the creation of the design falls within the scope of duties of an employee. He/She are remunerated and therefore, the employee should seek the reward for his creative activity by means of incentives, salary, responsibility and other conditions of employment.

Acquisition of Rights

Industrial design protection is granted in accordance with a formal procedure for the registration of such designs. Prior to registration, the most commonly adopted examination system stipulates a formal examination of the application for a registration of design. The fundamental principle governing examination system is to ensure that it satisfies all the criteria and formal requirements for an application which are governed by the relevant law.

The most important question is how to ascertain the prior art and criterion of novelty or originality is satisfied by the design for which registration is sought? If the system follows only formal examination, then it is likely the onus of assessing novelty is shifted to those interested persons in the market who may wish to use, or who may have used the design or a substantially similar design.

The alternative system of examination involves search of past designs and an examination of the design for which registration is sought to ensure whether it satisfies the criterion of novelty. It mandates the maintenance of a search databases and sufficient skilled manpower to undertake the substantive examination.

Key Ponderable

It is argued that the objects which can be granted protection under the law of industrial designs might equally be well positioned to obtain protection from the law of copyright.

To understand this concept, you must appreciate the fact that the industrial designs law has relations both with copyright law and with industrial property law. The question therefore is if a particular design embodies elements or features which are protected both by the copyright law and the industrial design law – Can a creator of an industrial design claim cumulatively or simultaneously the protection of both laws?

Cumulation of protection implies that the design is protected simultaneously and concurrently by both laws. This means, the creator is entitled to invoke the protection of either or both, the copyright law or the industrial design law. Therefore, if he has failed to obtain the protection of the industrial design law by failing to register his design, he can claim the protection of copyright law. It is also means that after the term of protection of the registered design expires, the creator may still have the protection of the copyright law. The system of cumulation of protection by the industrial design law and the copyright law exists in France and in Germany.

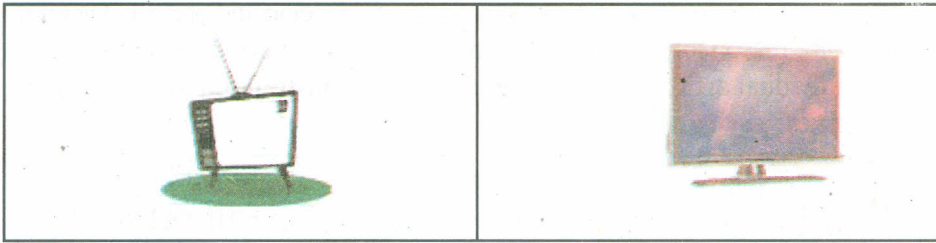
Co-existence of protection means that the creator has a choice. He may choose to be protected either by the industrial design law or by the copyright law. If he has chosen the one, he can no longer invoke the other. If he has registered the industrial design, at the expiration of such registration he can no longer claim protection under the copyright law, at least for the particular application of the industrial design. This system of co-existence of protection by both laws prevails in most countries including India.

Difference between Copyright Law and Industrial Design Law	
Copyright Law	Industrial Design Law
Copyright in most countries subsists without formalities – Registration is not necessary.	Protection is lost unless the industrial design is registered by the applicant before publication or public use anywhere or at least in the country where protection is claimed.
Copyright is granted for a period for the life of author and fifty years after his death in most countries.	Industrial design rights are generally granted for a shorter period three, five, ten or fifteen years.
Infringement only in the reproduction of the work in which copyright subsists.	Infringement whether or not there has been deliberate copying. There is infringement even though the infringer acted independently and without knowledge of the registered design.

1.6 EXAMPLES OF INDUSTRIAL DESIGNS

Table 1 and Table 2 are examples of three dimensional Industrial designs. They are also comparative depictions & examples of ornamental and aesthetic changes that have occurred in products such as chairs, telephones, cars, computers, airplanes, TV, cameras, etc.

Table 1	Table 2
	
	
	
	
	
	



Examples of two dimensional designs



The iPod line came from Apple's "digital hub"⁸ category, when the company began creating software for the growing market of personal digital devices. Digital cameras, camcorders and organisers had well-established mainstream markets, but the company found existing digital music players "big and clunky or small and useless" with user interfaces that were "unbelievably awful," so Apple decided to develop its own. As ordered by CEO Steve Jobs, Apple's hardware engineering Chief Jon Rubinstein assembled a team of engineers to design the iPod line, including hardware engineers Tony Fadell and Michael Dhuey, and design engineer Jonathan Ive. The product was developed in less than one year and unveiled on October 23, 2001. Jobs announced it as a Mac-compatible product with a 5 GB hard drive that put "1,000 songs in your pocket."

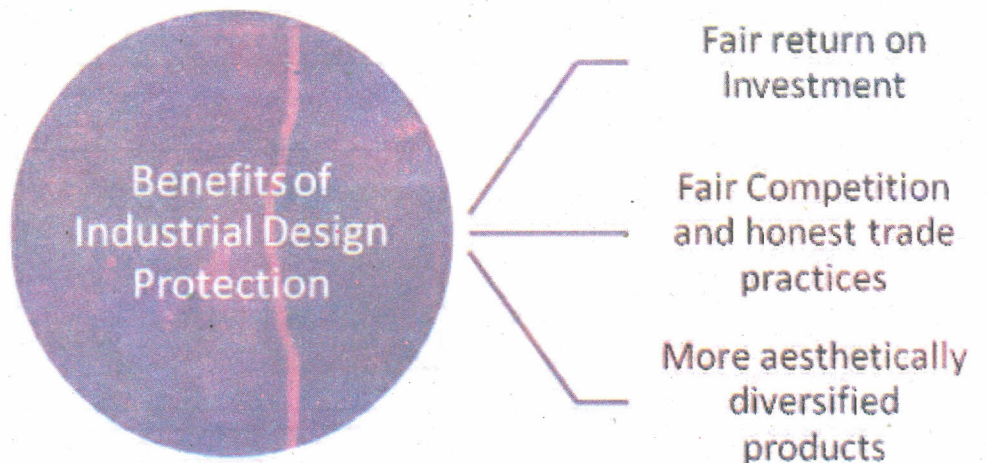
Source: www.apple.com

1.7 WHY PROTECT INDUSTRIAL DESIGNS?

- Industrial designs represent one form of Intellectual Property. It is an output of human creativity and makes the product attractive and appealing. Further, it adds commercial value to the product and increases its marketability.
- When an industrial design is protected, it helps to ensure a fair return on investment.
- An effective system of protection also benefits consumers and the public at large, by promoting fair competition and honest trade practices, encourages creativity and thus leads to more aesthetically attractive and diversified products.
- Protecting industrial designs helps economic development, by encouraging creativity in the industrial and manufacturing sectors and contributes to the expansion of commercial activities and the export of national products.
- So industrial design protection benefits the owner, the consumer and the economy in general. Another interesting feature of industrial designs is that

⁸ Kahney, Leander. Straight Dope on the iPod's Birth, *Wired News*, October 17, 2006. Retrieved on October 30, 2006.

they can be relatively simple and inexpensive to develop and protect. Therefore they are reasonably accessible to small and medium-sized enterprises, even to individual artists and craftsmen, in both industrialised and developing countries.



The basic objective is to protect new or original designs so created to be applied or applicable to particular article to be manufactured by Industrial Process or means. Sometimes purchase of articles for use is influenced not only by their practical efficiency but also by their appearance. The important purpose of design protection is to see that the artisan, creator, originator of a design having aesthetic look is not deprived of his *bona fide* reward by others applying it to their goods.

Self Assessment Questions

(Spend 2 Minutes)

- 1) "Industrial design is an Intellectual Property" – List down the important reasons.

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- 2) What happens if an Industrial design is not protected?

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1.8 HOW CAN INDUSTRIAL DESIGNS BE PROTECTED?

Industrial design rights are intellectual property rights that make exclusive the visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three dimensional forms containing aesthetic value. An industrial design can be a two - or three-dimensional pattern used to produce a product, industrial commodity or handicraft. Under the Hague Agreement Concerning the International Deposit of Industrial Designs, a WIPO administered treaty, and a procedure for an international registration exists. An applicant can file for a single international deposit with WIPO or with the national office in a country party to the treaty. The design will then be protected in as many member countries of the treaty as desired.

In most countries an Industrial Design must be registered in order to be protected under **industrial design law**.

Article 25.1 of the TRIPS Agreement obliges Members to provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

Article 25.2 contains a special provision aimed at taking into account the short life cycle and sheer number of new designs in the textile sector: requirements for securing protection of such designs, in particular in regard to any cost, examination or publication, must not unreasonably impair the opportunity to seek and obtain such protection. Members are free to meet this obligation through industrial design law or through copyright law.

Article 26.1 requires Members to grant the owner of a protected industrial design the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

Article 26.2 allows Members to provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

The duration of protection available shall amount to at least 10 years (Article 26.3). The wording "amount to" allows the term to be divided into, for example, two periods of five years.

India Scenario

India's Designs Act, 2000 was enacted to consolidate and amend the law relating to protection of design and to comply with the Articles 25 and 26 of TRIPS agreement. The new Act, (the earlier Patents and Designs Act, 1911 was repealed by this Act) now defines "design" to mean only the features of shape, configuration, pattern, ornament, or composition of lines or colours applied to any article, whether in two or three dimensional, or in both forms, by any industrial process or means, whether manual or 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.

India follows the system of "first-to-file". Therefore, it is imperative that a rights holder applies for the registration of its design at the earliest opportunity to ensure that no other person can claim prior rights to the design. Furthermore, an application for design in India has to be filed before publication of the design, in order to be eligible for registration.

The Delhi High Court in Wimco Ltd Bombay v. Meena Match Industries, Sivakasi & Others⁹ stated that, publication within the meaning of the Act means the opposite of being kept secret. It is published if the design is no longer a secret. There is publication if the design has been disclosed to the public or the public has been put in possession of the design.

It is not necessary that the design should have been actually used. There will just as much be publication if it is shown that it was known to the public, without ever having been actually put in use. Thus, publication may be of two types:

- 1) *Publication in prior documents*
- 2) *Publication by prior user*

Indonesia

In Indonesia the protection of the Right to Industrial Design shall be granted for 10 (ten) years commencing from the filing date and there is not any renewal or annuity after the given period.

- The Right to Industrial Design shall be granted for an Industrial Design that is novel/new.
- An Industrial Design shall be deemed new if on the filing date, such Industrial Design is not the same as any previous disclosure.
- The previous disclosure as referred to in point 2 shall be one which before :
 - a) The filing date or
 - b) The Priority Date, if the applicant is filed with priority right.
 - c) Has been announced or used in Indonesia or outside Indonesia.

An industrial design shall not be deemed to have been announced if within the period of 6 months at the latest before the filing date, such industrial design:

- Has been displayed in a national or international exhibition in Indonesia or overseas that is official or deemed to be official; or
- Has been used in Indonesia by the designer in an experiment for the purposes of education, research or development.

Canada

Canada's industrial design act affords ten years of protection to industrial designs that are registered; there is no protection if the design is not registered. The Industrial Design Act defines "design" or "industrial design" to mean features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye.

During the existence of an exclusive right, no person can "make, import for the purpose of trade or business, or sell, rent or offer or expose for sale or rent, any article in respect of which the design is registered." The rule also applies to kits and substantial differences are in reference to previously published designs.

Europe

Registered and unregistered Community designs are available which provide a unitary right covering the European Community. Protection for a registered Community design is for up to 25 years, subject to the payment of renewal fees every five years. The unregistered Community design lasts for three years after a design is made available to the public and infringement only occurs if the protected design has been copied.

United Kingdom

In addition to the design protection available under Community designs, UK law provides its own national registered design right and an unregistered design right. The unregistered right, which exists automatically if the requirements are met, can last for up to 15 years. The registered design right can last up to 25 years subject to the payment of maintenance fees.

Japan

Article 1 of the Japanese Design Law states: "This law was designed to protect and utilise designs and to encourage creation of designs in order to contribute to industrial development". The protection period in Japan is 20 years from the day of registration.

United States

U.S. design patents last fourteen years from the date of grant and cover the ornamental aspects of utilitarian objects. Objects that lack a use beyond that conferred by their appearance or the information they convey, may be covered by copyright — a form of intellectual property of much longer duration that exists as soon as a qualifying work is created. In some circumstances, rights may also be acquired in trade dress, but trade dress protection is akin to trademark rights and requires that the design have source significance or "secondary meaning." It is useful only to prevent source misrepresentations; trade dress protection cannot be used to prevent others from competing on the merits.

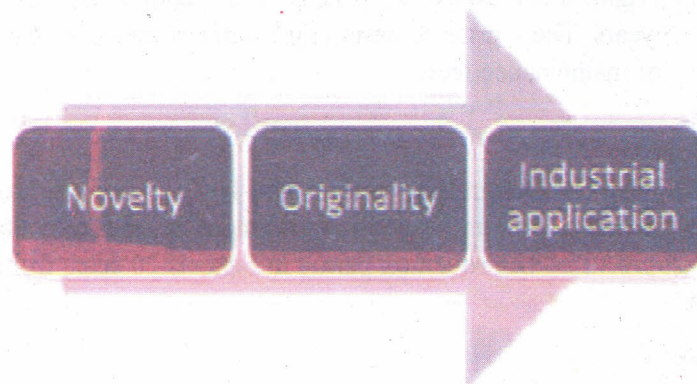
Australia

In Australia, design patent registration lasts for 5 years, with an option to be extended once for an additional 5 years. For the patent to be granted, a formalities exam is needed. If infringement action is to be taken, the design needs to become certified which involves a substantive examination.

As a general rule, in order to be registered, the design must be 'new' or 'original'. Now what constitutes novelty or originality may differ from country to country, and indeed the registration process itself varies from country to country. In particular this can involve whether there is an examination or not as to the form and substance of the application for the registration of the design, especially to determine novelty or originality. An industrial design must be capable of being reproduced by industrial means (industrial application). Also it must be possible to apply an industrial design to an article which may be either two-dimensional or three-dimensional.

1.9 CRITERIA FOR REGISTRATION OF INDUSTRIAL DESIGN

In most countries, an Industrial Design must be registered in order to be protected under **industrial design law**. As a general rule, in order to be registered, the design must be 'new' or 'original'. Now what constitutes novelty or originality may differ from country to country, and indeed the registration process itself varies from country to country. In particular this can involve whether there is an examination or not as to the form and substance of the application for the registration of the design, especially to determine novelty or originality. An industrial design must be capable of being reproduced by industrial means (industrial application). Also it must be possible to apply an industrial design to an article which may be either two-dimensional or three-dimensional.





Depending on the particular national law and the kind of design, an industrial design may also be protected as a work of art under copyright law. In some countries, industrial design and copyright protection can exist concurrently. In other countries, they are mutually exclusive: once the owner chooses one kind of protection, he can no longer invoke the other under certain circumstances an industrial design may also be protectable under unfair competition law, although the conditions of protection and the rights and remedies ensured can be significantly different.



Self Assessment Question

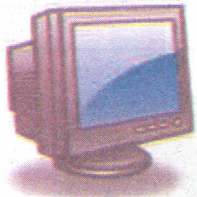

(Spend 2 Minutes)

- 3) Suggest the novelty features of the products in Table 2 in comparison with similar products in Table. See the example for better understanding

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.....
.....
.....

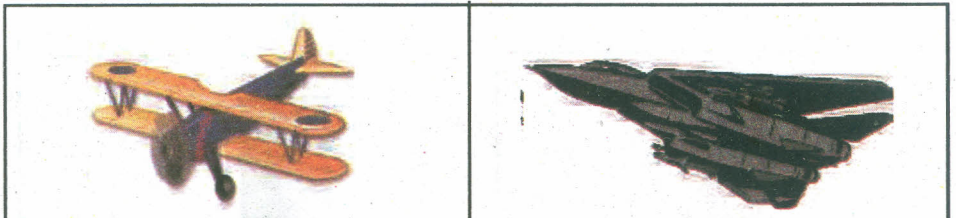
Table 1	Table 2
	
Eg : The mobile phone in Table 2 has a smaller (Size) & has attractive (colour) in comparison with the mobile phone in Table 1.	

	
<i>(write your answer here)</i>	

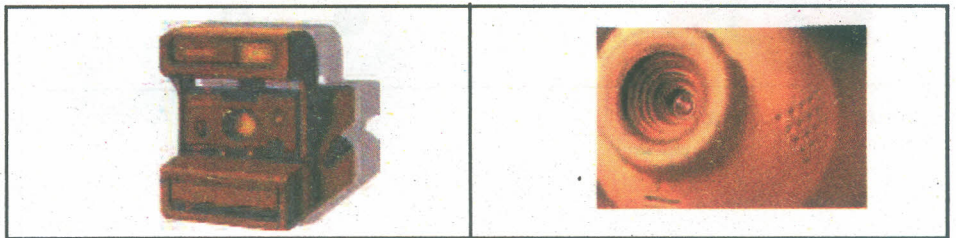
	
<i>(write your answer here)</i>	



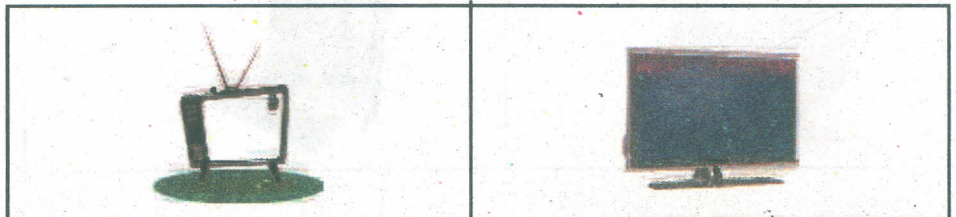
(write your answer here)



(write your answer here)



(write your answer here)



(write your answer here)

1.10 PROPRIETOR OF A NEW OR ORIGINAL DESIGN

The Proprietor of a new or original design is as follows:

- Where the author of the design executes the work for some other person for good consideration, the person for whom the design is so executed is the 'proprietor' of the new or original design;
- Where the person acquires the design or right to apply the design, the right being an exclusive right or otherwise, the person who acquires the design or the right to apply the design, exclusively or otherwise is the "proprietor" of the new or original design.

This right is only to the extent in and to which the design or right is so acquired.

- In any case, the term means the author of the design. Where the design has devolved from the original proprietor upon any other person, the term includes that person as well.

1.11 DURATION OF PROTECTION

Again this varies from country to country but the term of protection is typically for 5 years with the possibility of renewal, which may total, in most countries, up to a maximum of 15 to 25 years. The minimum duration under the TRIPS agreement is 10 years.

In India, Industrial designs are protected under the the Designs Act, 2000. This will be discussed in detail in the next section.

In other countries, depending on the particular law and the kind of design, a design may also be protected as a work of art under copyright law. In few other countries, industrial design and copyright protection can be cumulative. This means that these two kinds of protection can exist concurrently. However in other countries, if copyright is allowed, it is exclusive to industrial design protection. This means that once the owner chooses one kind, he loses the protection of the other.

Under some circumstances and in some countries, an industrial design may also be protectable under unfair competition law. However it is worth stressing that the protection and remedies are different under the different forms of protection.

1.12 WORLDWIDE PROTECTION FOR AN INDUSTRIAL DESIGN

As a general rule, and in accordance with the Paris Convention, industrial design protection is limited to the country where protection is sought and granted. If protection is desired in several countries, separate national applications (or 'deposits') must be made and the procedures will normally be different in each country. However the Hague agreement concerning the International Deposit of Industrial Design helps to facilitate this process. The Hague agreement is discussed in detail in the next section.


¹⁰ Section 2(i) of the designs Act, 2000.

1.13 WHAT CANNOT BE PROTECTED BY INDUSTRIAL DESIGN RIGHTS?

Designs that are generally barred from registration in many territories include:

- designs that do not meet the requirements of novelty, originality and/or individual character;
- designs that are considered to be dictated exclusively by the technical function of a product; such technical or functional design features may be protected, depending on the facts of each case, by other IP rights (e.g. patents, utility models or trade secrets);
- designs incorporating protected official symbols or emblems (such as the national flag);
- designs which are considered to be contrary to public order or morality.

Some countries exclude handicrafts from design protection, as industrial design law in these countries requires that the product to which an industrial design is applied is “an article of manufacture” or that it can be replicated by “industrial means”.




Self Assessment Question (Spend 2 minutes)	
Observe the Figure	Answer the following Questions
	i) The shape of the pen is very novel and Original – Can it be protected under the Industrial design Law?
	ii) The same pen has a nib which facilitates faster flow of ink through the capillary. Can this functionality be protected under Industrial design law? If not, what type of protection is possible?

1.14 HOW EXTENSIVE IS INDUSTRIAL DESIGN PROTECTION?

Generally, industrial design protection is limited to the country in which protection is granted. Under the Hague Agreement Concerning the International Registration of Industrial Designs, a WIPO-administered treaty, a procedure for an international registration is offered. An applicant can file a single international application with WIPO. The applicant can designate as many Contracting Parties as he wishes.

1.15 EXAMPLES OF INDUSTRIAL DESIGN PROTECTED THROUGH INTELLECTUAL PROPERTY RIGHTS

Source: www.ipindia.nic.in (Office of controller general of patents, designs and trademarks, Govt. of India).

Product Description	Representation	Applicant	Application nos/ Date of Registration
Pack for readymade garments		ITC Limited <i>Virginia House, 37, J.L.Nehru Road, Kolkata-700071, West Bengla, India.</i>	No.190388 / 11th November 2002
Footwear		Bata India Limited <i>6A, S.N. Banerjee Road, Kolkata-700013, West Bengal, India</i>	No.190502/ 22nd November 2002
Meter case for a Motorcycle		Honda Giken Kabushiki Kiasha <i>1-1, Minami-Aoyama, 2-Chome, Minato-Ku, Tokyo, Japan</i>	No.189436./ 11th January 2002

1.16 UNDERSTANDING INDUSTRIAL DESIGNS IN COMPARISON WITH OTHER FORMS OF INTELLECTUAL PROPERTY RIGHTS

Difference between Industrial Designs and Trademarks

An Industrial Design is distinguished from a trademark primarily because it is constituted by the appearance of a product, which must not necessarily be distinctive (a prime requirement for a trademark). A trademark although it may consist of all kinds of visible signs, which may or may not be ornamental, must always be distinctive, since a trademark must always be capable of distinguishing the goods and services of one enterprise from another. Therefore the functions of, and justifications for, protecting industrial designs and trademarks are quite different.




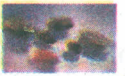

Difference between an Industrial Design and a Patent

The object of protection of an industrial design is different from that of a patent, primarily because an industrial design must relate to the appearance of the object and which is not determined by technical or functional necessity. The object of patent protection, in contrast, is determined by the functionality of an object or process since it must be an 'invention'.

1.17 SUMMARY

- An industrial design is that aspect of a useful article, which is ornamental or aesthetic. It may consist of three-dimensional features such as the shape or surface of the article, or two-dimensional features such as patterns, lines or colour. As with other forms of intellectual property it may be protected. By protecting an industrial design, the owner is ensured an exclusive right against its unauthorised copying or imitation by third parties for a period of time, which is typically for 5 years with the possibility of renewal, up to a maximum of 15-25 years depending on the particular national law. The TRIPS provides for protection of a minimum of 10 years.
- In most countries an Industrial Design must be registered in order to be protected under industrial design law and as a general rule in order to be registered, the design must be 'new' or 'original'. What constitutes its novelty or originality may differ from country to country and indeed the registration process itself varies from country to country. In particular this can involve whether there is an examination or not as to the form and substance of the application for the registration of the design, especially to determine novelty or originality.

Also an industrial design must be reproducible by industrial means.

Self Assessment Questions	(Spend 2 minutes)
5) What is the most likely form of Protection of the following :	
a) A shape of a cap	
b) A new form of drug	
c) A logo on a T shirt	
6) In a mobile phone can you identify various forms of Intellectual Property Rights existing and identify what is likely to qualify for a design registration.	

1.18 TERMINAL QUESTIONS

- 1) Define Industrial Design with examples.
- 2) Write brief note on fundamental concepts of legal system for the Protection of Industrial designs.
- 3) What is Criteria for registration of Industrial Designs?
- 4) Write short notes on a) Duration of Protection of Industrial Designs
b) Difference between Copyright protection & Design Protection.

1.19 ANSWERS AND HINTS

Self Assessment Questions

- 1) Industrial design is an output of human creativity and ideas – hence it is an Intellectual Property
- 2) If an Industrial design is not protected. The following will result:
 - Copying of the design
 - Unfair trade Practices
 - No return on investment & no incentive for the innovators/inventors
 - Anti-competitive practises
- 3)
- 4) i) Yes. It can be protected under industrial designs
ii) It can be protected as a Patent
- 5) 1) A Novel shape of cap qualifies for a design protection
2) A new form of drug dosage can be protected through a Patent
3) A logo in a T-shirt can best protected through a Trademark
- 6) There are multiple forms of Intellectual Property existing in a mobile phone. A novel shape of the mobile phone qualifies for design registration, the brand name of the mobile phone like for e.g. : Samsung, Nokia qualifies for trademark registration, the technology for mobile communication qualifies for a patent, the software in the mobile phone qualifies for copyright registration.

Terminal Questions

- 1) Read Section 1.3 and 1.6
- 2) Read Section 1.5
- 3) Read Section 1.9
- 4) Read Section 1.10 & 1.5

1.20 REFERENCES AND SUGGESTED READINGS

- 1) Intellectual Property for Business series – Number 2 - Looking Good – Guide to Industrial designs for small & medium enterprises – A publication of World Intellectual Property Organisation.
- 2) Intellectual Property Laws - Universal' legal Manual, 2011 – Universal law publishing co, New Delhi, India.
- 3) Understanding Designs Act by Srikanth Venkataraman – Universal law publishing co. ltd.

UNIT 2 REGISTRATION OF THE DESIGN

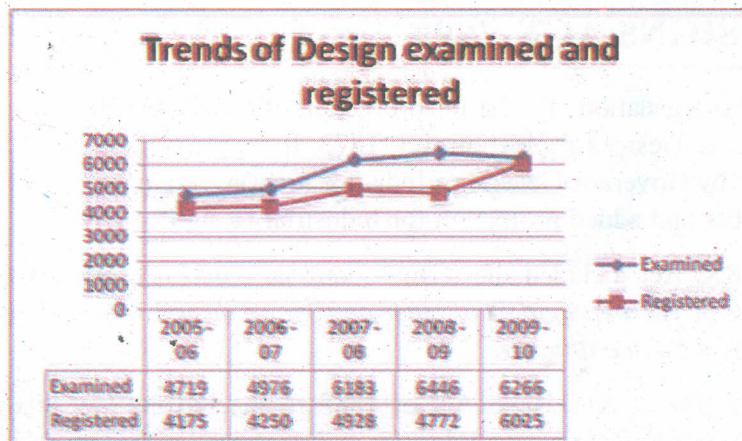
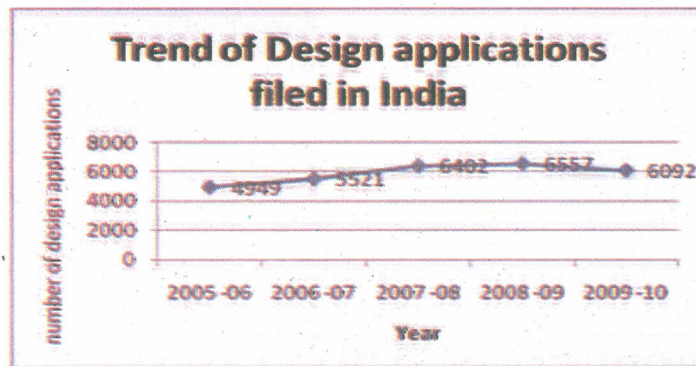
Structure

- 2.1 Introduction: Indian Context - The Designs Act, 2000
- 2.2 Objectives
- 2.3 Salient Features of Designs Act of 2000
- 2.4 Registration of Designs
- 2.5 Steps Involved in the Protection of Design
- 2.6 Application Procedure
- 2.7 Guidelines for Preparation of Representation Sheet
- 2.8 Flow Chart of Design Application upto Acceptance
- 2.9 Design Rules
- 2.10 International Classification for Industrial Designs (Locarno Classification)
- 2.11 Hague System for the International Registration of Industrial Designs
- 2.12 Summary
- 2.13 Terminal Questions
- 2.14 Answers and Hints
- 2.15 References and Suggested Readings

2.1 INTRODUCTION: INDIAN CONTEXT - THE DESIGNS ACT, 2000

- The first legislation in India for protection of Industrial Designs was the Patents & Designs Protection Act, 1872. It supplemented the 1859 Act passed by Governor General of India for granting exclusive privileges to inventors and added protection for Industrial Design.
- The 1872 Act included the term — *any new and original pattern or design, or the application of such pattern or design to any substance or article of manufacture.*
- The Inventions & Designs Act of 1888 re-enacted the law relating to protection of inventions and designs and contained provision relating to Designs in a separate part. The Patents & Designs Act enacted in 1911 also provided for protection of Industrial Designs.

- The first and foremost Designs Act of 1911 (part of the Patents and Designs Act, 1911) was passed by the then British Government of India. There has been a lot of progress in science and technology across the world. India is no exception to these advancements. New designs to suit the preferences of the consumers is the order of the day.
- To facilitate effective protection to registered designs and to promote design activity it is necessary to make the legal system of providing protection to industrial designs more efficient and in tune with changes happening across the world.
- It is also intended to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity while removing impediments to the free use of available designs.
- To achieve these objectives and in order to repeal the Designs Act, 1911 which has been extensively amended, the Designs Bill was introduced in the Parliament and the Designs Act of 2000 was passed.
- The Patents Act, 1970 repealed the provisions of the Patents and Designs Act, 1911, so far as they related to Patents. However, the provisions relating to Designs were not repealed and continued to govern the Designs Law.
- India joined the WTO as a member State in 1995. Consequently, the Patents & Designs Act, 1911 was repealed and the Designs Act, 2000 was enacted, to make the Designs Law in India, TRIPS compliant.
- There has been a steady increase in the number of design applications filed in India. In the last 5 years the trend of design applications filed in India is indicated below¹:



¹ Annual report 2009 -10 issued by the office of controller general of patents, designs, trademarks and geographical indications.

2.2 OBJECTIVES

After reading this unit, you should be able to:

- understand the salient features of the Indian Designs Act, 2000;
- application procedures to register a design in India;
- steps to be taken for protection of Industrial design;
- understanding the design rules;
- international classification for registration of designs; and
- international conventions for registration of designs.

2.3 SALIENT FEATURES OF DESIGNS ACT OF 2000

Definition of 'Design'²

- Design' means only the features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article whether 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 or construction or anything which is in substance a mere mechanical device, and does not include any trade mark³.

Definition of "Article"⁴

- "article" means any article of manufacture and any substance, artificial, or partly artificial and partly natural; and includes any part of an article capable of being made and sold separately.

To understand the above definition – let us examine the following example:

A Clinical Syringe is used to inject medicine into the body of a patient. An inventor who was working on the improvement of the syringe came up with the following changes

- 1) He designed a new shape of the clinical syringe which looked more attractive in size and shape. (Aesthetics).
- 2) Further, he developed a new capillary for the syringe which facilitated faster flow of medicine into the syringe and also helped quicker injection of medicine into the blood stream of the patient. (Functionality).

As per the Indian Designs Act, the point 1 is protected under the Industrial design act, whereas the point 2 cannot be protected. To protect the functionality, the provisions of the patents act have to be studied and applied.

² Section 2(d) of the Design Act, 2000.

³ As defined in clause (v) of sub-section of Section 2 of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.

⁴ Section 2 (a) of the Design Act, 2000.

Essential requirements for the registration of 'design' under the Designs Act, 2000

- The design should be new or original.
- Not previously published or used in any country before the date of application for registration.
 - A design shall be considered to be new when it has not been disclosed to the public, anywhere in India or in any other Country, by publication or by use or in any other way, prior to the filing date or priority date.
 - A design shall be considered new if it is significantly distinguishable from known designs or combination of known designs. Original⁵ in relation to a design, means a) originating from the author of design, and b) includes the cases, which though old in themselves yet are new in their application

The novelty may reside in the application of a known shape or pattern to new subject matter. Practical example:



The known shape of "Taj Mahal" when applied to a pen holder the same is registrable. However, if the design for which application is made does not involve any real mental activity for conception, then registration may not be considered

The design should not include any Trademark or property mark or artistic works as defined under the Copyright Act, 1957. Exclusion from Designs which are primarily literary or artistic works include:

- Books, jackets, calendars, certificates, forms and other documents,
- Dressmaking patterns, greeting cards, leaflets, maps and plan cards, postcards, Stamps, medals.
- Labels, tokens, cards, cartoons.
- Any principle or mode of construction of an article.
- Mere mechanical contrivance.
- Buildings and structures.
- Parts of articles not manufactured and sold separately.
- Variations commonly used in the trade.
- Mere workshop alterations of components of an Assembly.
- Mere change in size of article.
- Flags, emblems or signs of any country.
- Layout designs of integrated circuits
- For instance a key having its novelty only in the shape of its corrugation or bend at the portion intended to engage with levers inside the lock associated with, cannot be registered as a design under the Act.

Any mode or principle of construction or operation or anything which is in substance a mere mechanical device, would not be registrable design

⁵ Section 2(g) of the Design Act, 2000.

However, when any design suggests any mode or principle of construction or mechanical or other action of a mechanism, a suitable disclaimer in respect thereof is required to be inserted on its representation, provided there are other registrable features in the design.

Important learning Point: Stamps, Labels, tokens, cards cannot be considered as articles for the purpose of registration of Design.

This is because once the alleged Design i.e., ornamentation is removed, only a piece of paper, metal or like material remains and the article referred ceases to exist. Article must have its own existence independent of the Designs applied to it⁶. Design is to be applied to an article.

Controller and other officers⁷

The Controller General of Patents, Designs and Trademarks is the controller of designs for the purposes of this act and he is final authority for grant of registrations of designs. The Central government may appoint as many examiners and other officers with such designations as it think fit. The appointed examiners and officers shall discharge functions as per the authorisation of the controller.

Prohibition⁸ of registration of certain designs

A design which is:

- Not new or original
- Has been disclosed to public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date or where applicable, the priority date of the application for Registration or
- is not significantly distinguishable from known designs or combination of known designs or comprises or contains scandalous or obscene matter.

What is Registrable	What is not Registrable
<p><i>The design should relate to features of shape, configuration, pattern or ornamentation applied or applicable to an article.</i></p> <p><i>The design should be applied or applicable to any article by any industrial process.</i></p> <p><i>The features of the design in the finished article should appeal to and are judged solely by the eye. This implies that the design must appear and should be visible on the finished article, for which it is meant.</i></p>	<p><i>Design of industrial plans, layouts and installations are not registrable under the Act.</i></p> <p><i>Normally, designs of artistic nature like painting, sculptures and the like which are not produced in bulk by any industrial process are excluded from registration under the Act.</i></p> <p><i>Thus, any design in the inside arrangement of a box, money purse or almirah may not be considered for showing such articles in the open state, as those articles are generally put in the market in the closed state.</i></p>

⁶ [Design with respect to label was held not registrable, by an Order on civil original case No. 9-D of 1963, Punjab, and High Court].

⁷ Section 3(1) of the Design Act, 2000.

⁸ Section 4 of the Design Act, 2000.

Self Assessment Questions

(Spend 2 minutes)

1) What is a design as per the Designs Act, 2000?

.....
.....
.....
.....

2) Give examples of designs which cannot be registered.

.....
.....
.....

3) Give examples of designs which can be registered.

.....
.....
.....

4) Observe the following articles and suggest articles which cannot be registered under the Designs Act, 2000.

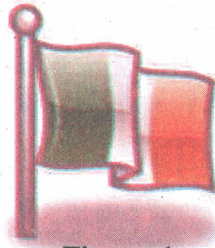


Figure 1



Figure 2



Figure 3

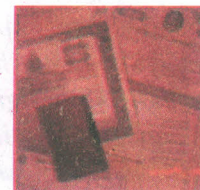


Figure 4



Priority date in case of convention application : A person who has applied for design in convention countries or group of countries or countries which are members of intergovernmental organisation or his legal representative or assignee, either alone or jointly with the any other person, is entitled to claim registration of the said design, citing a priority date in India. This date is the date of filing of the application in any of the countries mentioned above. However, the application should be made in India within six months from the date of the earliest application for registration in those countries.

First-to-file rule is applicable for registrability of design. If two or more applications relating to an identical or a similar design are filed on different dates only first application will be considered for registration of design.

2.4 REGISTRATION OF DESIGNS

- Every application should be in the prescribed **form** and shall be filed in the patent office in the prescribed manner and shall be accompanied by the prescribed **fee**. (*Refer the Annexure 2 for description and details of the form and fees which are essential for filing of design application in India.*)
- For the purpose of registration of designs articles have been classified as per third schedule refer Annexure 2 the design may be registered in one or more **classes**.
- The Controller shall before such registration refer the application for examination by an **examiner** appointed under Sub-section (2) of Section 3 of the Act whether such design is capable of being registered under this Act and the rules made thereunder and consider the **report of the examiner** on such reference.
- The controller is the **final authority for granting a registration** or refusing a design presented to him for registration, any person aggrieved by such refusal may appeal to the High Court.
- A design when registered shall be registered as of the **date of the application** for registration.

Whenever the registration is required then the configuration has to be chosen for the registration to be reproduced in any article. The reason is that the design has to be registered which is sought to be reproduced on any article i.e. both the things are required to go together i.e. design and the design which is to be applied to an article.

- The controller shall as soon as may be after the acceptance of the application, cause **publication** of the prescribed particulars of the design in the Designs Journal and thereafter the design shall be open to public inspection.

The Controller has powers to make orders regarding the substitution of applications etc. It allows applications for registration of a design to proceed, subject to the restrictions contained therein, in the name of the claimant or in the names of claimant's application to any new name by operation of law.

Register of Designs⁹

The Register of Designs is a document maintained by The Patent Office, Kolkata as a statutory requirement. It contains the design number, class number, date of filing (in this country) and reciprocity date (if any), name and address of Proprietor and such other matters as would affect the validity of proprietorship of the design and it is open for public inspection on payment of prescribed fee and extract from register may also be obtained on request with the prescribed fee.

2.5 STEPS INVOLVED IN THE PROTECTION OF DESIGN

The prerequisite forms and fees for design application is enclosed in the Annexure 2.

Step 1 : Finding out whether any registration already exists

The Designs office can assist you to search whether the design has been previously registered. If the registration number is known, Form No.-6 should be filed along with the prescribed fees of Rs. 500. If the representation of the article or the specimen of the article is filed Form No.-7 along with the prescribed fees of Rs.1,000 is required.

Step 2 : Preparing a representation of the design

A representation is the exact representation of the article on which the design has been applied. It should be prepared on white A4 size paper of durable quality. Do not prepare it on cardboard or mount it on other paper. Indicate details of the design and applicant clearly.

Step 3 : Identifying the class of design

Designs are required to be categorised in separate classes in order to provide for systematic registration. An internationally accepted classification of Industrial Designs based upon the function of the article is required. The class and sub-class should be mentioned in the application. There are 32 classes and most of the classes are further divided into sub-classes. (Refer Annexure 2 for details on various classes and sub classes).

Step 4 : Providing a statement of novelty

A statement of novelty should be included on the representation of a design as per the Act in order to specify the claim. This will enable speedier examination

⁹ Section 10 of the Design Act, 2000.

and provide a more specific protection. The claim will protect the overall visual appearance of the design as described in the representation of drawing.

Step 5 : Including a disclaimer

If the ornamental pattern on an article is likely to be confused with a trade mark, suggests any mechanical action or contains words, letters, numerals, etc., a disclaimer should be included in the representation.

Step 6 : Claiming a priority date

If you have applied for protection of the design in convention countries or countries which are members of inter-governmental organisations, you can claim registration of the design citing a priority date in India. This is the date of filing of the application in any of such countries provided the application is made in India within six months.

Step 7 : Determining the fee to be paid

Applications are to be accompanied by the required fee through cheque or draft payable at Kolkata or in cash (if filed in Design Office, Kolkata). Application for the registration of design is Rs 1,000 and for renewal it is Rs. 2,000.

Step 8 : Ensuring all enclosures are attached

File an application only after ensuring that all enclosures and fee in the required numbers are attached. Applications can be filed in either the Design Office in Kolkata or the branch offices of the Patent office in Delhi, Mumbai or Chennai.

Step 9 : Complying with objections (if any)

If the Design Office seeks additional information or clarifications after preliminary examination, please ensure that these are provided promptly. This will help the office to take up your application for early examination.

Step 10 Providing full details

While filing an application make sure that all contact details and addresses are clearly and legibly filled in. This will enable the office to keep in touch with you and convey decisions.

Please remember that all designs are not registerable. Designs registered come into force from the date of registration. Designs registered should be renewed in time for them to be valid.

You may get more information on filing procedures, hearing dates, etc. through e-mail from the design office. The Design Office is expected to register your design in six months.

The Design Wing of the Patent Office may be approached for finding out whether a design has been previously registered or not on prescribed form. An Application for registration of design may be prepared either by the applicant or with the professional help of attorneys. A list of patent attorneys is available in the Register of Patent agents maintained by the Patent Office and also available in www.ipindia.nic.in.

Finding out whether registration already exists

An applicant can inspect the register of designs maintained at the Patent office Kolkata or can make a request for search to the design wing of the patent office. The following forms and fees will be required:

- 1) Request for search through Form 6 and with a fee of Rs. 500/- when the registration number is supplied
- 2) Request for search through Form 7 with a fee of Rs. 1000/- when the registration number is not supplied

2.6 APPLICATION PROCEDURE

Any person who desires to register a design is required to submit the following documents to the Design Wing of the Patent Office at "Intellectual Property Office", CP-2, Sector V, Salt Lake, Kolkata - 700 091 or any of the Branch Offices of the Patent Office at Delhi, Mumbai and Chennai. The applications received by the Branch Offices shall be transmitted to the Head Office for processing and prosecuting.

- i) Application duly filed in on the prescribed form (Form- I)¹⁰ along with the prescribed fees, stating name in full, address, and nationality, name of the article, class number, and address for service in India. The application shall also be signed either by the applicant or by his authorised agent.
 - ii) Representation (in quadruplicate of size 33 cm × 20.5 cm with a suitable margin) of the article. Drawings\sketches should clearly show the features of the design from different views and state the view (e.g. Front or Back).
 - iii) A statement of novelty and disclaimer (if any) in respect of mechanical action, trademark, work, letter, numerals should be endorsed on each representation sheet which should be duly signed and dated.
 - iv) Power of attorney (if necessary).
 - v) Priority documents (if any) in case of convention application claimed under Section 44 of the Designs Act, 2000. The Guidelines for the representation sheet is enclosed in the Annexure.
- An application accompanied by the prescribed fee and four copies of the representation of the design, on receipt at the office are numbered and dated in the Patent Office and taken up for examination.
 - The number accorded to an application is in the order of its receipt and the date accorded to an application is the actual date of its receipt in the office

¹⁰ Refer Annexure 2 for Forms and Fees.

Note: Applications unaccompanied with the prescribed fee or copies of the representation of the design will not be numbered and dated until the receipt of the fee or copies of the representation of the designs. The date allocated for such applications is the actual date of the receipt of all the documents in the office, and not the earlier date on which the application was received in the office.

Defects in the application, if any, noticed on examination of the application are communicated to the applicant or to his agent at the address for service. The defects should be corrected and the application resubmitted to the Design of the Patent Office for acceptance within six months or within the extended period from the official date of the application.

Acceptance and Notification¹¹: An application is accepted when all the shortcomings have been rectified. It is then notified in the Patent Office journal which is published on every Friday.

Refusal¹²: In case the defects as required by the Controller are not rectified, a personal hearing will be provided to the applicant. After hearing the controller will decide whether the application should be accepted or not.

The decision of the Controller will be communicated in writing to the applicant or his agent stating the reasons for the decision.

Appeal¹³: Any person aggrieved by the decision of the Controller refusing to register a design may appeal to the High Court. The appeal should be made within three months from the date of the Controller's decision.

Abandonment: An application which owing to any neglect or default on the part of the applicant has not been completed so as to enable registration to be affected within six months or within extended period will be treated as abandoned. Such an application cannot be revived and no further action will be taken on it by the Design Wing of the Patent Office.

Statement of novelty: The following statement of novelty should be mentioned on the representation of a design as per the Act. : "The novelty resides in the shape and configuration of the article as illustrated. The novelty resides in the portion marked as 'A' and B' of the article as illustrated."

Example: The novelty resides in the floral ornamentation of the carpet as illustrated.

If the ornamental pattern on an article is likely to be confused with a trade mark, a disclaimer may be made in the following manner:-

No claim is made by virtue of this registration to any right to the use as a trademark of what is shown in the representations.

Form of disclaimers

If the representation suggests any mechanical action of the article a disclaimer may be inserted in the following manner:-

No claim is made by virtue of this registration in respect of any mechanical or other action of the mechanism whatever or in respect of any mode or principle of construction of the article.

¹¹ Section 7 of the Design Act, 2000.

¹² Section 35 of the Design Act, 2000.

¹³ Section 36 of the Design Act, 2000.

If the representation contains words, letters, numerals, etc., a disclaimer may be inserted in the following manner:-

No claim is made by virtue of this registration to any right to the exclusive use of the words, letters, numerals, flags, crowns, etc. appearing in the design.

2.7 GUIDELINES FOR PREPARATION OF REPRESENTATION SHEET

- A representation sheet of an article is an important document required to be filed in quadruplicate along with the application for registration. Representation means the exact representation of the article on which the design has been applied.
- It should be prepared on white A4 size paper of durable quality but should not be prepared on card board or should not be mounted on other paper.
- The following points should be considered while preparing a representation :
 - The article must be shown in isolation and features of the design must be clearly and accurately visible.
 - The article shown in the drawing should be consistent with the name of the article mentioned in the application form.
 - The name of the article should be such that is known in the trade. The margin of the representation sheet should be one and half inch on all sides.
- The figure shown should be of sufficient scale in order to visualise all the details of the features of the design applied to the article.
- The figure should be shown in upright position with respect to top and bottom position of the sheet.
- The name of the applicant should be mentioned in left hand top corner of the sheet.
- The total number of sheets and sheet number should be mentioned in the right hand top corner of the sheet.
- The signature of the applicant/agent should be made in the right hand bottom corner mentioning the name of the signatory thereunder.
- No descriptive matter or denoting the components by reference letter/numerals should be included other than showing the particular portion of the article where novelty resides.
- A sufficient number of views should be incorporated in the representation sheet in order to show the article completely and to visualise the exact nature of the design clearly.
- No sectional view should be incorporated in the representation sheet.
- No dimensions or engineering symbol etc. should be mentioned in the representation sheet. The representation is not to be regarded as engineering drawing of the article.

- Unnecessary matter not being the feature of the design such as Trade Marks, Letters, Numerals etc. Should not be included. However, if it is integral with the article so represented a disclaimer to that effect should be provided.
- Photographs should be covered with cellophane paper in order to prevent it from sticking to other pages.
- Drawings should be clear and should be prepared in a manner that clear reproduction of the views is possible on imaging and are reproduce able by photocopying.
- A clear photocopy of the original representation sheet may be filed for other copies of the representation sheet except when a photograph of the original representation has been filed.
- No extraneous matter or background support surface, shadows, brick walls, trees etc. should appear in the representation sheet.
- Hidden parts that are not visible in the finished article should not be shown. Exploded view should be avoided.
- In order to represent a set, the whole set should be shown clearly with different views as required.
- Perspective views are most preferable. Odd angle views which distort the shape should not be filed.
- A brief statement of novelty, claim of features of design, which is new and original, are required to be mentioned on each set of representation sheet.
- No description stating the features of the design should be incorporated.
- If there is any other mater appearing in the representation not being the feature(s) of the design, a statement of disclaimer is required to be mentioned in each set of the representation sheet as required.

When an application for registration of a Design is in order, it is accepted and registered and then a certificate of registration is issued to the applicant. However, a separate request should be made to the Controller for obtaining a certified copy of the certificate for legal proceeding with requisite fee.

Cancellation of registered design¹⁴: Any interested person can file a petition to the Controller seeking the cancellation of a registered design at any time after the registration of the design. An application for cancellation is admissible on the following grounds:

- that the design has been previously registered in India
- that it has been published in India or in any other country prior to the date of registration
- that the design is not a new or original design
- that the design is not registrable under this Act
- It is not a design as defined under of Section 2(d).

¹⁴ Section 19 of the Design Act, 2000.

Statutory time for the acceptance of the application

An application for registration of a design should be accepted within six months from the date of application which may be extended up to three months on Form-18 by the applicant with the prescribed fee.

Inspection of the register of designs¹⁵

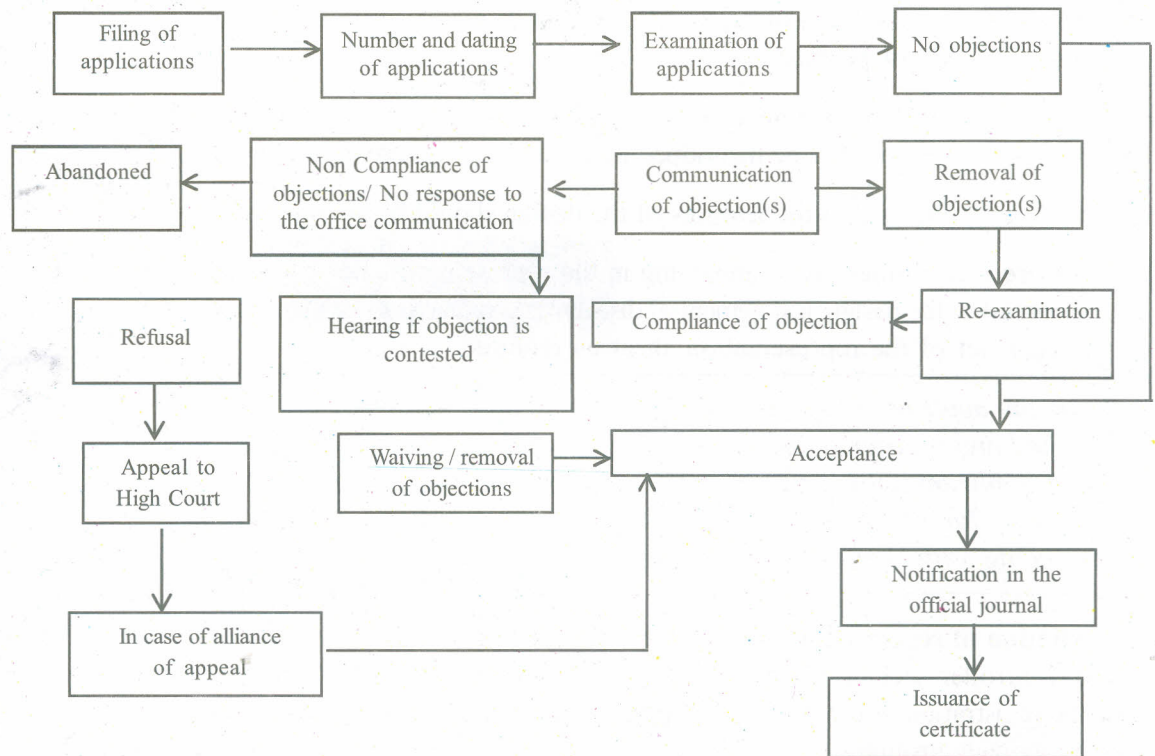
Any person can inspect the Register of Designs upon request to the Controller with prescribed fee. This will enable an applicant to find out whether a design has been previously registered or not.

The fees¹⁶ for the registration and renewal of a design are:

- Application for registration of design Rs. 1,000/-
- Extension of copy right Rs. 2,000/-

(A detailed schedule of fee is enclosed in the Annexure)

2.8 FLOW CHART OF DESIGN APPLICATION UPTO ACCEPTANCE



2.9 DESIGN RULES

The Central government by notification in the official gazette makes **rules** for carrying out the provisions of the design act. Every rule made under this act shall be laid before each house of parliament while it is in session and it has to be ratified by both the upper and lower house. Subsequently these rules will be notified to the public through government gazette notification.

¹⁵ Section 26 of the Design Act, 2000.

¹⁶ Section 24 of the Design Act, 2000.

The Designs Act and Rules provide for filing of a Design Application in any of the four Patent Offices i.e. Patent Office Delhi, Mumbai, Chennai or Kolkata. However, the prosecution of a Design Application is done only at Patent Office, Kolkata.

The Design Rules, 2001 provide the following:

- The **form** of application for registration of design, the **manner of filing** it at the patent office and the **fee** which shall accompany it.
- The **time** within which the registration is to be effected
- The **classification** of the articles for registration
- The **particulars** of design to be published and the **manner** of their publication
- The manner of **making a claim**
- The manner of **making applications** to the controller
- The **additional matters** required to be entered in the register of designs and the safeguards to be made in maintaining such register in computer floppies or diskettes
- The manner of making application and fee to be paid for the **extension of the period of copyright** and fee payable thereto
- The manner of making an application for the **restoration of designs**
- The manner of **verification of statement** contained in an application
- The additional fee to be paid for the **restoration of registration of designs**
- The provisions subject to which the **rights of the registered proprietor** shall be
- The number of **exact representation or specimen of the design** to be furnished to the controller
- The mark, words or figures with which the article is to be marked denoting that the design is registered
- The manner of filing an application for registration and for making application for **extension of time**
- The manner of making application to the controller for **rectification of register**
- The manner in which the **notice of rectification** shall be served on the controller
- The rules regulating the **proceedings before controller**

The Design rules 2001 provides the formats, fees and procedures to be followed for all aspects of Industrial design protection under the Design act 2001 of India.

- The time which shall be granted to the applicants for being heard by the controller
- The fees to be accompanied with an appeal and any other matter which is required to be or prescribed.

Self Assessment Question	(Spend 2 minutes)
5) State the purpose of Design rules.	
.....	
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2.10 INTERNATIONAL CLASSIFICATION FOR INDUSTRIAL DESIGNS (LOCARNO CLASSIFICATION)

Classification of goods mentioned in the Third Schedule¹⁷

In the third Schedule of Design Rules, 2001 the classification of goods has been mentioned. The classification is based on **Locarno Agreement**. Only one class number is to be mentioned in one particular application. It is mandatory under the Rules. This classification has been made on the basis of Articles on which the design is applied.

However, India is not a signatory to the Locarno Agreement.

For e.g.: If the design is applied to a cosmetic product it will be classified under class 28-02. Similarly if the design is applied to a building material, it will be classified in class 25-01. Subsequent application by the same proprietor for registration of same or similar design applied to any article of the same class is possible, but period of registration will be valid only upto period of previous registration of same design.

The Locarno Classification (LOC) is an international classification used for the purposes of the registration of industrial designs. It was set up by an agreement concluded at a diplomatic conference held in Locarno in 1968: the Locarno Agreement Establishing an International Classification for Industrial Designs.

The Locarno Classification comprises a list of classes and subclasses with explanatory notes and an alphabetical list of goods in which industrial designs are incorporated, with an indication of the classes and subclasses into which they fall.

¹⁷ Please refer Annexure 2 for details on the various classifications.

The Locarno Agreement is the WIPO-administered multilateral treaty that establishes the Locarno Classification. It was adopted on October 8, 1968 and amended on September 28, 1979. It has a membership of 52 countries. India is not a member as of March 31, 2012.

Obligations of the countries party to the Agreement

The competent offices of the countries party to the Locarno Agreement are required to include in the official documents and publications relating to the deposit or registration of industrial designs the numbers of the classes and subclasses of the Locarno Classification into which the goods incorporating the industrial designs belong.

Advantages of applying the Classification

Use of the Locarno Classification by national offices has the advantage of filing applications for the registration of industrial designs with reference to a single classification system. This procedure facilitates industrial design searches and obviates substantial reclassification work when documents are exchanged at the international level.

Use of the Locarno Classification by the competent national offices of the States party to the Locarno Agreement is mandatory. In January 2011, the number of such States stood at 52 (the list of contracting parties is regularly updated). The Classification is also applied for the registration of industrial designs by four regional organisations, namely the African Intellectual Property Organisation (OAPI), the African Regional Intellectual Property Organisation (ARIPO), the Benelux Organisation for Intellectual Property (BOIP) and the European Union Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), and by the International Bureau of WIPO in the administration of the Hague System for the International Registration of Industrial Designs.

Structure of the Classification

The Locarno Classification consists of a list of 32 classes and 219 subclasses with explanatory notes, and an alphabetical list of 7,024 goods in which industrial designs are incorporated. The classes and the subclasses provide a general indication as to the type of goods belonging to each class and subclass. The explanatory notes give more detailed information about a class in general or a subclass in particular. The alphabetical list of goods constitutes the most detailed level in the structure.

In order to keep the Locarno Classification up to date, it is continuously revised and a new edition is published every five years. The revision is carried out by the Committee of Experts set under the Locarno Agreement. All States party to the Agreement are members of the Committee.

The authentic versions of the Locarno Classification (in English and French) are published by WIPO on paper and on electronic format. The electronic publication is called NIVILO: CLASS and is available on CD-ROM and on the WIPO website.

Locarno Classification: List of Classes

Class 1	<i>Foodstuffs</i>
Class 2	<i>Articles of clothing and haberdashery</i>
Class 3	<i>Travel goods, cases, parasols and personal belongings, not elsewhere specified</i>
Class 4	<i>Brush ware</i>
Class 5	<i>Textile piece goods, artificial and natural sheet material</i>
Class 6	<i>Furnishing</i>
Class 7	<i>Household goods, not elsewhere specified</i>
Class 8	<i>Tools and hardware</i>
Class 9	<i>Packages and containers for the transport or handling of goods</i>
Class 10	<i>Clocks and watches and other measuring instruments, checking and signalling instruments</i>
Class 11	<i>Articles of adornment</i>
Class 12	<i>Means of transport or hoisting</i>
Class 13	<i>Equipment for production, distribution or transformation of electricity</i>
Class 14	<i>Recording, communication or Information retrieval equipment</i>
Class 15	<i>Machines, not elsewhere Specified</i>
Class 16	<i>Photographic, cinematographic and optical apparatus</i>
Class 17	<i>Musical instruments</i>
Class 18	<i>Printing and office machinery</i>
Class 19	<i>Stationery and office equipment, artists' and teaching materials</i>
Class 20	<i>Sales and advertising equipment, signs</i>
Class 21	<i>Games, toys, tents and sports goods</i>
Class 22	<i>Arms, pyrotechnic articles, articles for hunting, fishing and pest killing</i>
Class 23	<i>Fluid distribution equipment, sanitary, heating, ventilation and air-conditioning equipment, solid fuel</i>
Class 24	<i>Medical and laboratory equipment</i>
Class 25	<i>Building units and construction elements</i>
Class 26	<i>Lighting apparatus</i>
Class 27	<i>Tobacco and smokers' supplies</i>

Class 28	<i>Pharmaceutical and cosmetic products, toilet articles and apparatus</i>
Class 29	<i>Devices and equipment against fire hazards; for accident prevention and for rescue</i>
Class 30	<i>Articles for the care and handling of animals</i>
Class 31	<i>Machines and appliances for preparing food or drink, not elsewhere specified</i>
Class 32	<i>Graphic symbols and logos, surface patterns, ornamentation</i>

The list of subclasses is enclosed in the Annexure 4 – Locarno classification.

2.11 HAGUE SYSTEM FOR THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS

The Hague System for the International Registration of Industrial Designs provides a mechanism for registering a design in countries and/ or intergovernmental organisations member of the Hague Agreement. It is administered by the International Bureau of WIPO located in Geneva, Switzerland.

India is not a signatory to the Hague System but signatory to Paris convention of Industrial Property through which the applicants from India can claim priority of the application within six months from the date of filing of national phase application.

This System gives the owner of an industrial design the possibility to have his design protected in several countries by simply filing one application with the International Bureau of WIPO, in one language, with one set of fees in one currency (Swiss Francs). An international registration produces the same effects in each of the designated countries, as if the design had been registered directly with each national office, unless protection is refused by the national office of that country.

The Hague System simplifies the management of an industrial design registration, since it is possible to record subsequent changes or to renew the registration through a single procedural step with the International Bureau of WIPO.

The international registration system under the Hague Agreement is also referred to as the Hague system. The Hague Agreement consists of three separate Acts: the London (1934) Act, the application of which is frozen as of January 1, 2010, the Hague (1960) Act and the Geneva (1999) Act.

Each Act has a different set of legal provisions which are independent of one another. A country may become a party to the 1960 Act and/or the 1999 Act and an intergovernmental organisation (for example, the European Union or the African Intellectual Property Organisation) may become a party to the 1999 Act.

Natural persons and legal entities, which have the necessary connection with such a country or an intergovernmental organisation may file international applications for registration of their designs in the International Register and,

in that application, designate countries or intergovernmental organisations, in which they wish to protect their designs.

Only countries and intergovernmental organisations which are party to the same Act(s) as the country or intergovernmental organisation with which the applicant has the necessary connection, may be designated in the application.

Usage of the Hague system

To be entitled to file an international application (form DM/1); an applicant must satisfy at least one of the following conditions (entitlements):

- be a national of a Contracting Party;
- be a national of a Member State of an intergovernmental organisation which is a Contracting Party (such as the European Union or the African Intellectual Property Organisation);
- have a domicile in the territory of a Contracting Party;
- have a real and effective industrial or commercial establishment in the territory of a Contracting Party, or
- only under the Geneva (1999) Act have a habitual residence in a Contracting Party.
- The Contracting Parties/States include only those in this list available at (www.wipo.int)

Scope of protection of an industrial design

The scope of protection is defined by the reproductions (representations/views) provided of the design when filing an application. If maximum protection is sought for a design then the design should be fully represented, as only aspects visible in the reproduction will be protected. It may be necessary, therefore, to represent a single article from many angles and submit several different reproductions.

An applicant may choose to submit different views of the same design, in order either to illustrate all the characteristic features of a three-dimensional design or to comply with the requirement of the law of a designated Contracted Party which has made a declaration whereby it requires certain specified views of the product concerned.

Priority claim in an international application

The priority of an earlier filing may be claimed (under Article 4 of the Paris Convention, on the basis of a first national or regional filing made in one of the States party to the Paris Convention or in a member of the World Trade Organisation) in an international application on the condition that the international application is filed within six months from the date of the earlier filing.

The advantage of claiming the priority of an earlier filing is that the date of that earlier filing is taken into consideration, rather than the filing date of the international application, should legal proceedings arise.

The Office of a designated Contracting Party may request a copy of a priority document (directly from the holder), for example, in the context of a refusal

where the Office takes the view that the priority document is necessary in order to establish novelty because of a disclosure of a design within the period from the date of the first filing until the filing date of the international application.

Upon receipt of an international application for international registration, the International Bureau checks that the application complies with the prescribed *formal* requirements.

If the application complies with those requirements, the International Bureau records it in the International Register and sends a certificate to the holder. The International Bureau publishes the corresponding international registration in the International Designs Bulletin on WIPO's website, which contains all relevant data concerning the international registration, including a reproduction of the industrial design(s).

If the international application does not comply with the applicable requirements, the International Bureau sends an "irregularity letter" to the applicant, inviting that person to make the required corrections within three months from the date of the letter sent by the International Bureau.

Date of the international registration

In principle, the date of the international registration is the filing date of the international application. For instance, if the international application is filed directly with the International Bureau (as is always the case for E-Filing, but also in most cases for paper filings (form DM/1)), the date on which the International Bureau receives it will be the filing date, unless it contains any irregularities entailing a postponement of the filing date.

Term of protection of an international registration

The term of protection is five years counted from the date of the international registration. An international registration may be renewed for one or more additional terms of five years, in respect of each designated Contracting Party, up to the expiry of the total term of protection allowed by those Contracting Parties' respective laws.

2.12 SUMMARY

- Any person claiming to be the proprietor of a new or original design not published in India or elsewhere, not contrary to public order or morality, may apply for registration. The term person includes firm, partnership or body corporate or legal entity.
- Application should be filed on (i) prescribed form stating full name, address, nationality, and the name of the article, class no., and address for service in India with a prescribed fee. (ii) Four sets of representation sheets in durable paper of A4 size pasted with the photograph or drawing of the article from different angles should be submitted so that the exact nature of the article can be understood. Every representation sheets should be endorsed with a novelty statement and also disclaimer statement in respect of mechanical action, trade mark, word, letter, numerals and non-interference clause for similar design in other class should be endorsed, (iii) power of attorney (if necessary), (iv) priority document.

- As soon as the application is filed the application is referred to an examiner for substantive examination. The examiner makes a report to the Controller after carrying out novelty search and other criteria of resistibility and the report is communicated to the Applicant/Agent. The objection must be complied within a statutory period of six months from the date of filing otherwise the application would be treated as abandoned. If the objection is complied within the said period the application will be accepted, published in the official Gazette and certificate of Registration will be issued. Otherwise if the objection is contested hearings offered and if the application is refused, applicant has the option to appeal to High Court against the order of Controller. A Flow Diagram for registration of design is illustrated in Section 2.7. The design is registered for initial period of ten years and can be extended for second period of five years.

2.13 TERMINAL QUESTIONS

- 1) Mention some of the salient features of the Indian Design Act.
- 2) What are the Important steps to followed for registration of design?
- 3) What are the important points to be noted for preparation of representation sheet?
- 4) Write short notes on a) Locarno classification b) Hague system.

2.14 ANSWERS AND HINTS

Self Assessment Questions

- 1) Most importantly while answering the question understand the difference between design and Industrial design.
- 2) Read the examples and quote similar examples.
- 3) Read the examples which are excluded from the scope of registration.
- 4) Only Fig. 5 & Fig. 6 is possible.
- 5) Understand the fact that the rules are primarily cover practical aspects like forms, fees etc.

Terminal Questions

- 1) Read Section 2.3
- 2) Read Section 2.5
- 3) Read Section 2.7
- 4) Read Section 2.10 & 2.11

2.15 REFERENCES AND SUGGESTED READINGS

- 1) Intellectual Property Laws: The Design Act, 2000 and the Design Rules, 2001.
- 2) WIPO (www.wipo.int) - Hague system and Locarno classification.

UNIT 3 RIGHTS OF REGISTERED DESIGNS

Structure

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Copy Rights in the Registered Designs
- 3.4 Right to Prevent Unauthorised Copying or Imitation
- 3.5 Suit for Infringement
- 3.6 Right to Prevent Unauthorised Commercial Transaction
- 3.7 Territorial Nature of Design Rights
- 3.8 Licensing of Design Rights
- 3.9 Transfer of the Right of Ownership
- 3.10 Cancellation of Registration of a Design
- 3.11 Restoration of Lapsed Designs
- 3.12 Provisions for Exhibitions of Designs
- 3.13 Case Study
- 3.14 Summary
- 3.15 Terminal Questions
- 3.16 Answers and Hints
- 3.17 References and Suggested Readings

3.1 INTRODUCTION

To appreciate the Intellectual Property Rights acquired by registration of the designs, one has to carefully examine the object and purpose of the designs act. The Purpose of the designs act is well articulated in the judgment pronounced in the *Bharat Glass tube limited vs. Gopal Glass works*¹.

In the statement of objects and reasons of the design act, it is stated that since the enactment of the Designs Act, 1911, considerable progress has been made in the field of science and technology. The purpose of the legal system is essentially to benefit the right holder for his creative output, labour to evolve a new and original design. If we read the Section 4 of the design act it prohibits the registration of designs which are not new or original; designs which are already disclosed in the public domain and at the same time, designs which are not significantly distinguishable from known designs or combination of known designs.

The rights mentioned in the act clearly differentiate between two important aspects 1) Aesthetic appeal i.e. appeals to the eye and 2) The functional element. The functional elements are not protected through the design act; one has to seek protection under the Patents Act.

¹ 2008 (1) SCC 657 : 2008 (7) SCR 397.

Aesthetic creations are manifestations of human creativity. In today's market place the consumer is greatly influenced by "what appeals to the eye". To create a new and original aesthetic appeal through shape, size, pattern or colour involves a great deal of research work and ingenuity. These intangible outputs need to be encouraged and an effective legal system provide the right incentive.

In the earlier section we discussed about the registration of design rights. But as a right holder one has to make effective use or "enforce" the Intellectual Property Rights in the market place. Before this, let us understand the various types of rights acquired by the design right holder.

It is appreciated that the design rights are intended to promote the design element in the article of production. The statement and objects and reasons of the design act 2000 states that – *"It is also intended to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity while removing impediments to the free use of available designs....."*

It is important to read the judicial interpretation of the design act to understand and appreciate how the balance of interests is provided? Therefore in this section appropriate references have been made to the relevant case laws and case studies to provide the insight to the Interpretation of the design Act.

3.2 OBJECTIVES

After reading this unit, you will be able to explain and appreciate the following concepts:

- rights conferred by registration of design;
- examples to prevent insight into the concepts of preventing unauthorised copying or imitation, suit for Infringement, prevention of unauthorised commercial transaction, territorial nature of design rights, license of designs, copyrights in design rights;
- transfer, ownership and cancellation of design rights; and
- detail case study to understand as a Professional how you will advise prospective clients on design rights and the steps to be followed and rationale for protection of designs.

3.3 COPYRIGHTS IN THE REGISTERED DESIGNS

The concept of copyrights in registered designs is one of the most widely contested matters in the court. It is important to understand both forms of Intellectual Property Rights to appreciate its correlation.

The case of Microfibers Inc. v. Giridhar & Co. is an excellent example to understand the difference between these two rights. Microfibers Inc. (appellant) is a world leader in providing innovative textile solutions to the consumers around the world. Appellant's business is to sell upholstery and furnishings which are based on original designs created by their own employees or licensed and assigned from original artists. Giridhar & Co. (respondent) are also in the same line of business. The appellant's claim was that the respondent's upholstery fabrics incorporate the appellant's artistic work and it is a reproduction of the same work.

Artistic work v. Industrial process: The Proceedings of the court brought about a clear distinction between the copyrights and the design rights. Copyrights are conferred on artistic literary, dramatic or musical works. In the case of upholstery work the artistic work is embodied in the various colour combinations, patterns and variations of the motifs embodied in the product. This could be either two dimensional or a three dimensional pattern. If the reproduction of the artistic work is by means of an Industrial process on an article and it results in a finished article which appeals to the naked eye in either shape, colour or pattern, then the work is capable of being protected under the Industrial designs. To understand the same one has to read the Section 2 c of the copyright act 1957² and also the definition of design in Section 2(d) of the design act 2000 which *excludes any artistic work defined in the clause 2 c of the copyright act. Rights under the Copyright Act, 1957² and the Designs Act, 2000 cannot simultaneously exist in any work or angle. If an artistic work is reproduced more than fifty times using an industrial process, it will cease to have copyright under the Copyright Act even in the absence of registration under the Designs Act, 2000.*

What does this term Copyright in registered design mean?

The registration of a design confers upon the registered proprietor 'Copyright' in the design for the period of registration. Section 2 c of the design acts states that 'Copyright' means the exclusive right to apply a design to the article belonging to the class in which it is registered.

Section 11, Chapter III of the Designs Act, 2000 states that when a design is registered, the registered proprietor of the design shall, subject to the provisions of the act have copyright in the design during ten years from the date of registration. If before, the expiration of the 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.

Section 22 of the Designs Act, 2000 indirectly conveys what are the rights of a registered proprietor. It says that during the existence of copyright in any design, it shall not be lawful for any person-

- a) *For the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the licence or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or*
- b) *To import for the purpose of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or*
- c) *Knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the*

² Artistic work means a (i) painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possess artistic quality (ii) a work of architecture and (iii) any other work of artistic craftsmanship.

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.

This brings out clearly the following rights on the design:

- Right to apply the design on any article in the class in which it is registered.
- Right to sell an article on which the registered design has been applied.
- Right to import for sale an article on which the registered design has been applied.
- Right to publish or expose for sale an article on which the registered design has been applied.

Any one who does so without the consent of the registered proprietor will be committing an infringement of the rights of the proprietor.

A registered proprietor can institute a **suit for injunction³ as well as recovery of damages** against any person engaged in piracy of the registered design. Such legal proceedings can be instituted from the date of registration and till the expiry of copyright. However, in case of reciprocity application, the registered proprietor can claim damages in only from the actual date on which the design is registered in India.

A Copyright shall not subsist under the Copyright Act⁴ in any design which is registered under the Designs Act. Under the Section 15(1) of the Copyright Act once the design is created and registered under the design act, the design loses its protection as an artistic work under the copyright. Similarly, a Design which has been granted protection under the designs act cannot be protected under the copyright act. The object of these two provisions is to prevent any undue long term usage of the right holder i.e. after expiring of the design rights, he must not be able to take unfair advantage of the copyright act and extend his Intellectual Property Rights for a longer duration. Copyright in any design, which is capable of being registered but which has not been so registered shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process, by the owner of the copyright, or with his licence, by any other person.

The proprietor shall have copyright in the design⁵ for ten years from the date of registration. This period of ten years can be extended by five years, if the registered proprietor applies for extension in prescribed manner.

³ A court order by which an individual is required to perform, or is restrained from performing, a particular act. A writ framed according to the circumstances of the individual case. An injunction commands an act that the court regards as essential to justice, or it prohibits an act that is deemed to be contrary to good conscience. It is an extraordinary remedy, reserved for special circumstances in which the temporary preservation of the status quo is necessary. An injunction is ordinarily and properly elicited from other proceedings. For example, a landlord might bring an action against a tenant for waste, in which the right to protect the land-lord's interest in the ownership of the premises is at issue. The landlord might apply to the court for an injunction against the tenant's continuing harmful use of the property. The injunction is an ancillary remedy in the action against the tenant. Injunctive relief is not a matter of right, but its denial is within the discretion of the court. Whether or not an injunction will be granted varies with the facts of each case. (Source : The free legal dictionary by farlex).

⁴ Section 15 of the The Copyright Act, 1957.

⁵ Section 11.

Self Assessment Questions

(Spend 2 minutes)

- 1) List of the differences between Copyright and Industrial Designs.

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- 2) Why functional elements in a product are excluded from the scope of protection of designs?

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3.4 RIGHT TO PREVENT UNAUTHORISED COPYING OR IMITATION

When an industrial design is registered, the holder receives the right to prevent unauthorised copying or imitation by third parties.

Copying or imitation of registered designs is one of the important challenges faced by the proprietary right holder of registered designs. One of most common unfair practices adopted in the market is the copying of registered design and marketing of duplicate products. At the same time, the brand image of the registered design and the good will among the customers in the market is utilised to pass off inferior products in market. This is one of the important basis for the registered right holder to chalk out effective strategies to prevent unauthorised copying or imitation.

It is important to draw references from the designs act 2000 which provides the statutory right for the right holder to take legal action. As per the Design Act 2000, the registration of designs confers a legal right to the right holder to take legal action if he finds that this registered design is being copied without his permission or knowledge. He can also institute legal proceedings if he finds that his product is imitated and sold in the market place.

The first step a right holder has to ensure is that he must have proper market information and intelligence on how his products are being duplicated and copied. After he acquires this knowledge, he must have proper evidence to show that his design is being imitated and copied. The evidence can be obtained by the imitated product itself and also by proof of invoice showing commercial transaction. This evidence will be very important to prove that his product is being imitated and copied without his knowledge. This is legal terminology is called an "Infringement of a registered design".

Before initiating any proceedings in this matter, it is advisable to consult a legal practitioner who has qualification, experience and knowledge to take legal steps against the Infringer. Most often, before instituting any legal proceedings, it is

advisable to send caution notices to the infringer informing him that the product is being imitated and it is being commercialised, without seeking legitimate permission and proper authorisation from the right holder. If the infringer continues to imitate and sell products without your license or permission, then with the advice of the professional practitioner it is advisable to take legal action against the infringing party.

In the legal context especially in the Section 22 c it is important to understand the words “fraudulent” or “Obvious” imitation applied to any article. This is one of the important criteria to prove infringement of design.

Let us analyse the case of *Britannia Industries limited v. Sara lee Bakery India Pvt. Ltd*⁶. Britannia Industries is a globally renowned biscuit manufacturer and similarly Sara Lee Corporation is a global manufacturer and marketer of high quality, branded confectionary products for consumers throughout the world. It entered the Indian market in 1997, and for the same purpose established its subsidiary in India- Sara Lee Bakery India Pvt Ltd. Britannia and Sara lee were competing against each other in Indian market.



One of the very famous products of Britannia is the Milk Bikis -Milk Cream Biscuits. The Biscuits had a novel shape and was appealing to eyes of the consumers. The novelty of the biscuits vested in its shape and configuration. One side of the biscuit had a smiling shape of a cartoon and the other side was plain. It appealed to children a great deal. The biscuit was sandwiched with rich milky cream and the flavour captured the hearts of Indian consumers! Moreover the biscuits were packed in an attractive blue wrapper interspaced with Britannia logo and with the famous Britannia slogan - “Eat healthy and think better”.

The applicant registered the said design in Class 12 of the IV Schedule of the Designs Rules on 11-4-1996 vide Design No. 171091. It has also registered its copyright in the work “Britannia Milk Bikis Milk Cream” with the copyright office and the registration number is A-55541/98.

Britannia alleged that Sara lee’ milk biscuits and wrapper were deceptively similar and this prompted Britannia Industries Ltd (Plaintiff) to seek an interim injunction at the High Court against a Sara Lee Bakery (Defendant).

The plaintiff, Britannia Industries, Calcutta, in its suit prayed for grant of interim injunction restraining the respondent/defendant from committing the acts of piracy of the applicant’s registered design of biscuits by the manufacture of the impugned product ‘Milk Wala’, ‘Milk Cream Biscuits’ bearing the design which was identical with or similar to the applicant’s design. The plaintiff also sought for grant of interim injunction restraining the respondent (defendant) from reproducing and publishing biscuit wrapper, which was deceptively similar or the production of features of the applicant’s biscuit wrappers. The applicant said one of the brands of biscuit manufactured by it was ‘Milk Bikis Milk Cream’ and got the brand registered under the Designs Rules on April 11, 1996. It also registered its copyright with the Copyrights Office.

The defendant parent Company-‘Sara Lee Corporation’ entered into an agreement with ‘Nutrine’ group in March 1998, and the group had been using the brand

⁶ AIR 2000 MAD 497 : 2001 (1) Copy TR 50.

name 'Milk wala' in respect of its milk biscuits since 1986. The group obtained legal user certificate on May 17, 1999. The defendant obtained the Indian registration of its biscuit design on April 1, 1999, in respect of its facial design. The defendant contended that the plaintiff could not claim monopoly for the particular variety of 'funny' face or for any facial engraving on biscuits.

Any manufacturer was entitled to launch a biscuit with a different facial expression and to represent the design on the biscuit wrapper. The applicant could not prevent the competitors from using the deceptive words such as milk cream, milk biscuits, etc. The judge said he found there were various substantial differences which made the design of the defendant indicate that it was not an imitator of the plaintiff's design. Hence, there was no infringement by the defendant in respect of the Designs Act.

Also, a meticulous description of the respondent's wrapper would disprove the plaintiff's claim of similarity between these products. On comparison, if viewed as a whole, the wrapper would not deceive or cause confusion in the minds of the customers as to the source of the manufacture in respect of these products.

In other words, a visual comparison of the plaintiff's wrapper and that of the respondent would lead to the conclusion that they were totally dissimilar in material respects.

In view of the similarities as mentioned above, it could not be claimed that the product of the defendant was deliberately made to look like that of the plaintiff. Even as regards the phonetic similarity, the plaintiff's product was called 'Britannia Milk Bikis Milk Cream' whereas the defendant's product was known as 'Nutrine Milkwala Milk Cream Biscuit'. Therefore, in view of the apparent dissimilarity it could not be said that the shopkeepers and customers would make one product for the other.

The applications for interim injunction were dismissed.

Self Assessment Questions	(Spend 2 minutes)
3) List of Novelty features of Britannia' design.	
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4) List of the possible reasons why Infringement could not be established in the above case.	
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3.5 SUIT FOR INFRINGEMENT

A Registered proprietor of the design is entitled to a better protection of his intellectual property. He can sue for infringement, if his right is infringed by any person.

Example of Infringement Cases filed in the Indian Courts:



Reckitt Benckiser is a global success story: a world leader in the global household, health and personal care sectors registered a design with respect to S- shaped spatula which is used for applying a cream for hair removal. The registration was obtained on December 5 2003 with application no. 193988 in class 99 (miscellaneous class). The novelty claim in the application was for its shape and ornamentation. They had named it as perfect spatula or perfect tough tool. The sole purpose of this design is for use in hair removal product marketed under the trademark.

“Veet” in India. The spatula enables easy application of the hair removal cream i.e. “veet” and facilitates close contact with the skin.

Wyeth which is now part of Pfizer was a marketing a well-known product “Anne French” along with a spatula which is claimed to resemble the spatula of Reckitt. Reckitt claimed infringement by Wyeth on the design of the spatula. It also alleged that Reckitt had earlier used flat spoon but now has started marketing Anne French along with the S Shaped spatula.



Wyeth defended the Infringement suit on the following grounds and attacked the maintainability of the suit and cancellation of Reckitt registration itself on three important aspects:

- There is an earlier design registration No. 2055969 in the name of Reckitt Benckiser France in the United Kingdom for a similar spatula design which is part of the subject matter of the present suit. The said design was dated 30.04.1996.
- There exists a prior US design patent registration No. 387629 dated 16.12.1997 for the line drawings of an identical spatula design in the name of Reckitt & Coleman, France, which was filed in USA on 23.10.1996 based on the UK design No. 2055969 dated 30.04.1996.
- There exists an Australian design registration No. 131347 dated 29.10.1996 in the name of Reckitt Benckiser France also for line drawings of a spatula design identical to the US and UK designs mentioned above.

On the basis of the above points, Wyeth submission to the court was that Reckitt’ Indian design registration No. 193988 dated 05.12.2003 was prior published and lacking in novelty as the aforesaid designs were accessible to public in India as well as abroad when the plaintiff had applied for and obtained registration in India. The said design liable to be cancelled under the provisions of Section 19 of the Designs Act, 2000.

An appeal against cancellation of registration of design can be made under Section 19 of the designs act. The appeal can be made against the order of controller in the High Court.

The decision pronounced by a Division Bench of the Delhi High Court comprising of Justices Sanjay Kishen Kaul and Valmiki J. Mehta is a learning experience for the practitioners of Intellectual Property Law. The Judgment was delivered on October 8, 2010. It is titled: Reckitt Benckiser (India) Ltd. v. Wyeth Ltd. (FAO (OS) No. 458/2009). It has sought disposal of an appeal filed by Reckitt, against a judgment by a Single-judge Bench, wherein Reckitt's petition to obtain an injunction against Wyeth had been dismissed.

The words new or original for the registration of design means that the design has not been published anywhere or it is not been made known to the public. Section 4(b) of the design acts states that prior disclosure to the public anywhere in the world is considered as a prior art and prohibits the registration of the design. The modes of disclosure to public can be either by i) publication in tangible form ii) by use or iii) any way.

It may please be noted that if the design is not registered under the Designs Act, 2000 there will be no legal right to take any action against the infringer under the provisions of the Designs Act, 2000. The Patent Office does not become involved with any issue relating to enforcement of right accrued by registration; similarly The Patent Office does not involve itself with any issue relating to exploitation or commercialisation of the registered design.

Self Assessment Question **(Spend 2 minutes)**

5) List out the key learning from Reckitt vs. Wyth case study.

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3.6 RIGHT TO PREVENT UNAUTHORISED COMMERCIAL TRANSACTION

The Design holder has the right to prevent all unauthorised parties from making, selling or importing any product in which the design is incorporated or to which it is applied.

In broader terms, it means no commercial transaction is permissible on the registered design products without the legal permission or authorisation of the registered design holders. Therefore, there can be no commercial production, sales in the domestic and international markets without seeking license on the registered design. At the same, time one cannot also import products which are likely to infringe the registered designs. In all of the above circumstances, it amounts to the infringement of registered designs.

What can the right holder do to prevent unauthorised commercial Transaction?

Case of Tobu Enterprises (P) Ltd v. Joginder Metal Works⁷ : Tobu Enterprises is the brand leader in the field of Children bicycles. It markets under the brand name "TOBU". It not only got the product registered under designs act 2000 but also the design of the seat of its mini bikes. Tobu enterprises realised that the design of the cycle and seat were copied and sold in the market and that there were products similar to Tobu were being sold in the market. This amounts to Infringement of registered design and at the same time it is unauthorised sales and commercial transaction. At the same time it was diluting its brand.

With help of a legal practitioner, Tobu Enterprises filed a suit at the Delhi High Court for permanent injunction. The injunction sought was to restrain Joginder metal works (defendant) to restrain from manufacturing or selling similar products in the market.

TOBU is a well-known brand in children' tricycle. Therefore Tobu enterprises alleged that the defendant was taking advantage of the Tobu brand, its market good will and reputation and passing off inferior products in the market. This was claimed as unlawfully and therefore the plaintiff is entitled to recover the damages from the plaintiff.

In the same suit Tobu filed for Passing off and for rendition of accounts. A Person claiming infringement of designs is entitled to seek accounts from the defendant to understand and take into account the profits earned by unlawful transaction of the registered designs. The Plaintiff can also make the following claims:

- It has lost a sizeable amount of *market share* on account of pirated products in the market.
- The defendant had undercut the *prices* substantially and this has forced the plaintiff to bring down its price to compete in the market.
- It has also lost the *royalties* which it could have acquired by licensing the design for manufacture in the assigned territory.
- Above all, the dilution of well established brand in the market.

All of the above amounts to financial damages and this can be recovered from the defendant if the infringement and unlawful act is proven in the court. This is one of the important rights acquired after registration of designs.

Section 22 of the design act states that during the existence of copyright in any design it shall not be lawful for any person –

- a) For the purpose of the 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
- b) To import for the purpose 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

⁷ AIR 1985 Del 244T.

- 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 the sale of the article.

Self Assessment Questions

(Spend 2 minutes)

- 6) What should the right holder do in the case of Infringement of Designs?

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3.6 TERRITORIAL NATURE OF DESIGN RIGHTS

Industrial design rights are territorial in nature, this right is limited to the territory for which the design is registered but the disclosure of the novelty is not territorial.

As per the Design Act 2000, the design rights conferred on right holder is limited to the territory of India. If the right holder wants to extend his rights to another country, he can so do by filing applications in the relevant country and prosecuting the application as per the design acts and provisions of the respective country. For example: If one has to obtain design registration in United Kingdom, the right holder will have to file an application in UK and obtain the design registration under the design act of United Kingdom. The Indian design act will not be applicable.

International Case Study f⁸

In *Honda Giken Kogyo Kabushiki Kaisha v. allied Pacific Motor*. Honda had alleged the infringement of five industrial design registrations owned by Honda for the *Honda Wave 125 motorcycle* by the defendant's *Comel Manja JMP 125 motorcycle* and the designs were registered on December 7, 2000. The drawings were created by Honda in Japan and first published in Thailand.

In dismissing the defendant's contention that the designs were not new as vehicles of a similar design had been sold in Thailand prior to the plaintiff's application to register the designs in Malaysia, the High Court ruled that the **novelty requirement in the Industrial Designs Act, 1996 is territorial. Therefore, prior disclosure of designs outside Malaysia is irrelevant.** The court also applied the statutory presumption that official acts have been correctly carried out. Therefore, the court held that the designs were valid, ruling that there were many similarities between the Honda Wave 125 and the defendant's JMP 125.

⁸ Presentation on marketing & branding strategies by Dr. G S Jaiya, Director, SME division, World Intellectual Property Organisation (www.wipo.int/sme).

3.8 LICENSING OF DESIGN RIGHTS

A Design right holder can license or sell his design as legal property for a consideration or royalty.

Licensing is an important tool to exercise the Design Rights for wealth creation opportunities. By Licensing, one (Licensor) can retain the ownership of Intellectual Property Rights but can grant permission to user (Licensee) to use the Intellectual Property Rights like design under defined conditions.

Design rights can be well exercised if the rights can be licensed. It can be licensed both within the country & to multiple countries provided the design rights are protected in the respective countries. Licensing is an excellent option for commercialisation of Intellectual Property providing exclusivity and help keep imitators away.



Trax® is a system of public seating manufactured by OMK Design Ltd. It was originally designed for British Rail. It is a visually appealing, comfortable and weather-resistant product. In 1990, installed in railway stations in UK. 15 years later, it was installed in over 60 airports. Industrial design protection in UK, France, Germany, Italy, Benelux, Australia and the US has guaranteed a degree of exclusivity keeping imitators away. On occasions, OMK Design Ltd has licensed foreign companies to produce the TRAX public seating system on payment of royalties.

3.9 TRANSFER OF THE RIGHT OF OWNERSHIP

Every right holder is entitled to transfer the right and ownership of his rights to a third party. This is permissible through assignment, agreement, transmission with terms and condition in writing or by operation of law⁹. However, certain restrictive conditions not being the subject matter of protection relating to registration of design should not be included in the terms and condition of the contract/agreement etc.

As stated in the notification—an application in form-10, with a fee of Rs. 500/- in respect of one design and Rs. 200/- for each additional design, for registration of the transfer documents is required to be made by the beneficiary to the Controller within six months from the date of execution of the instruments or within further period not exceeding six months in aggregate. An original/notarised copy of the instrument to be registered is required to be enclosed with the application.

3.10 CANCELLATION OF REGISTRATION OF A DESIGN¹⁰

Any interested party is permitted to file a petition of the cancellation of the registration of design at any time after the registration of the design. The grounds of cancellation can be any of the following:

⁹ As notified in the website of office of controller general of patents, designs and trademarks, govt. of India (www.ipindia.nic.in).

¹⁰ Section 19 of the Design Act, 2000.

- 1) That the design has been previously registered in India or
- 2) That it has been published in India or elsewhere prior to date of registration or
- 3) The design is not new or original or
- 4) Design is not registrable or
- 5) It is not a design under Clause (d) of Section 2.

The petition has to be filed in a pre-requisite form i.e. Form 8. After hearing the parties or even without hearing (if neither parties desires to be heard or attends the hearing), the controller shall decide and notify his decision to the parties.

Section 19 (2) of the design act also states that an appeal against the order of the controller can be made 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.

In *Joginder Singh (Petitioner) v. Tobu Enterprises (P) Ltd. (respondent)*¹¹, the petitioner sought the cancellation of the design registered (with respect to tricycle and seats) by the respondent on the grounds of Section 19(2) & 19 (3). It was argued that the design is not new or original design and it was stated that the similar design was notified in business magazines and journals in India prior to the date of registration of the respondent. After examining the matter, the court came to conclusion that design was previously published in India and was not a new or an original design.

3.11 RESTORATION OF LAPSED DESIGNS

Section 12(1) and Section 12 (2) deals with registration of the lapsed designs. The design can lapse due to the following reasons:

- Most often it is Failure to pay the fees for extension of the Copyright; or
- Some other practical problems could be Change of address and the applicant not receiving the communication on time for seeking extension.

Where a design has ceased to have effect by reason of failure to pay the fee for extension of copyright under Sub-section (2) of Section 11, the proprietor of such design or his legal representative may within one year from the date on which the design ceased to have effect, make an application for restoration of the design in Form 4.

An application under this section shall contain a statement, verified in the prescribed manner, fully setting out the circumstances which led to the failure to pay the prescribed fee and the controller may require from the applicant such further evidence as he may think necessary.

If after hearing the applicant's case, the controller thinks fit and is satisfied that the failure to pay the fee for extension of the period of the copyright was unintentional, and that there was no undue delay in the making of the application, the controller shall upon payment of unpaid fee for extension of the period of copyright together with the prescribed additional fee restore the registration of the design.

¹¹ AIR 1989 DEL 81 : (1988) 35 DLT 71 : 1988 2 Arbi LR 260.

Where the registration of the design is restored, the rights of the registered proprietor shall be subject to such provisions, as may be prescribed and to such other provisions as the controller thinks fit to impose for the protection or compensation of persons who may have begun to avail themselves of, or have taken definite steps by contract or otherwise to avail themselves of, the benefit of applying the design between the date when the registration of the design cease to have effect and the date of restoration of the registration of the design.

No suit or other proceeding shall be commenced in respect of Piracy of a registered design or infringement of the copyright in such design committed between the date on which the registration of the design cease to have effect and the date of the restoration of the design.

Other key learning Points

- The duration of the registration of a design is initially ten years from the date of registration. Registration initially confers this right for ten years from the date of registration.
- This initial period of registration may be extended by further period of 5 years on an application made in Form-3 accompanied by a fee of Rs. 2,000 - to the Controller before the expiry of the said initial period of Copyright. It is renewable for a further period of five years. If the fee for extension is not paid for the further period of registration within the period of initial registration, this right will cease.
- The date of registration except in case of priority is the actual date of filing of the application. In case of registration of design with priority, the date of registration is the date of making an application in the reciprocal country.
- There is provision for the restoration of a lapsed design if the application for restoration is filed within one year from the date of cessation in the prescribed manner. The proprietor of a design may make application for such extension even as soon as the design is registered.

3.12 PROVISIONS FOR EXHIBITIONS OF DESIGNS

The Practical situation faced by the Industrial designers is that in order to commercialise the designs, they are expected to show case or exhibit their products in the promotional events and exhibitions. In most cases the designers are not aware about the inherent intellectual property in their designs. They may come to know after coming into contact with experts and Industrial buyers. To facilitate filing of design protection in such circumstances the provisions are provided in Section 21 of the Industrial Design act 2000. Accordingly, the following actions will not prevent the design being registered or invalidate the registration of the design:

- 1) The exhibition of a design or of any article to which a design is applied, at an industrial or other exhibition to which the provisions of this section have been extended by the Central Government by a notification; or

- 2) The publication of a description of the design, during or after the period of the holding of the exhibition; or
- 3) The exhibition of the design or the article or the publication of the design by any person elsewhere during or after the period of holding of the exhibition, without the privity or consent of the proprietor.

The above actions will not prevent the design being registered or invalidate the registration of the design provided that—

- 1) The exhibitor exhibiting the design or article or publishing a description of the design, gives to the Controller previous notice in form-9.
- 2) The application for registration is made within six months from the date of first exhibiting the design or article or publishing a description of the design.

3.13 CASE STUDY

The following is a hypothetical case study on business situation to understand the following concepts:

- 1) How do you assess the Intellectual Property in a design – This is a very important tool to grasp the requirement for rights to be acquired through design registration.
- 2) What are the preliminary steps you undertake before you embark on design registration? What are the professional practices involved?
- 3) How do you file an application for registration of designs? What are the preliminary steps to be followed?
- 4) One has to analyse the benefits of registration of designs.
- 5) What the right holder has to do for commercialisation the product in other countries.
- 6) What he should do in case he finds his design is being copied and imitated?

Working in his workshop, Natesh creates a cutting device that makes it possible to carve all textures of wood with higher efficiency and less energy requirements. The device, which has a specific shape and may be used manually, is 15 times more effective in cutting soft and hard wood than any prior existing similar device. This is a noteworthy achievement since, despite well-sponsored research in this field, specialists hired by major corporates to develop this simple and efficient device could not achieve the same results as Natesh. Natesh's device is called "Carve Plus". It is ready to be manufactured. This device, aside from being efficient, is also appealing to the eye. It has a special shape that distinguishes it from other devices or gadgets of the kind that are found on the market. Mr. Jha – an IP Practitioner advised Natesh to start by applying for registration of his device as an industrial design.

Natesh in his business practice also finds that his product "carve plus" is being duplicated in the market? He also reports this matter to Mr. Jha and wants him to stop this unfair practice in the market?

Key issues

- What procedure Mr. Jha should follow for the registration of the device as industrial design?
- What are the issues that should be considered before applying for protection and do you think that such conditions (requirements for protection) are fulfilled in the present case? (Consider both functional design and aesthetic design protection.)
- Why should Natesh apply for design protection? What are the Rights Conferred.
- What Natesh should do if he wants to sell the product worldwide?
- What are the other forms of Intellectual Property Protection available for “Carve Plus”.
- What steps Jha should take to stop the duplication of Natesh’ design in the market.

Natesh has created a cutting device which has the following salient Points:

- has a specific shape that distinguishes it from other devices or gadgets of the kind that are found on the market
- is appealing to the eye
- Enables carve all textures of wood more easily
- 15 times more effective in cutting soft and hard wood than any prior existing similar device – The results are remarkable
- It is ready to be manufactured

Learning Point 1: The Procedure to be followed by Natesh for Design of Registration is as follows:

Step 1: Identification of Intellectual Property in Natesh’ Creation i.e. the Cutting Device which can be protected as a Design.

The Identified features are:

- Specific Shape : that underlines its (Novelty)
- Appealing to eye : that underlines (Aesthetic features)
- Specific shape has the ability to Carve all textures of wood and 15 times more

Effectively: (Functional features)

Intellectual Property of in Natesh’ Cutting Machine = Specific Shape + Aesthetic + Functional features

Step 2 : Ascertaining the Novelty: A Prior Art Search to be undertaken to ensure that the similar type of Design does not exist in Public domain or described.

Having completed 1 and 2 Procedures the following procedures will be followed:

Step 3: Ascertaining who is the Right Holder.

Jha has to discuss with Natesh and ensure that Natesh is the only right Holder of the Invention. This will be an Important Procedure before the Preparation of application for registration of Design. The applicant i.e. Natesh should be *Proprietor of the design*.

Step 4: The application for the design registration should have proper specification.

Jha should prepare the application for registration of the Identified IP as Design in Prescribed form in duplicate and one copy shall be returned to Natesh and it shall be accompanied by the following documents:

- Register Sheet
- A declaration by Natesh that he is the proprietor of design and power of attorney to Jha
- A representation Sheet – Four Identical Representations or sets of representations when more than one figure is used which may be in the form of drawings or photographs or in the form of specimens or other records where the registrar so directs
- A definitive Explanatory statement in duplicate as prescribed
- Publication of particulars with an attached publication representation all duplicate for purposes of publication. A Brief Statement of features should also be prepared
- Class of Goods in which Natesh's Design has to be registered has to be identified.

Step 5: Definitive statement

The application must have definitive statement which sets out all the features of the design for which the protection is claimed. The statement should clearly demarcate the scope of exclusive right or the monopoly of the design to be protected.

Step 6: Scrutiny and Examination

It should successfully pass the scrutiny of the examiner during the examination stage of the application.

Step 7: Opposition Phase

It should also successfully overcome the Opposition phase when the design application is disclosed in the Gazette.

Moreover all the prescribed fees have to be paid to enable it for design registration.

Learning Point 2: Issues to be considered before applying for Protection

Design as an Intellectual Property

The Potential IP in the Cutting Device Created by Natesh which could be protected as a Design:

- Specific Shape : that underlines its Novelty
- Appealing to eye : that underlines Aesthetic features
- Specific shape has the ability to Carve all textures of wood and 15 times more effectively
- The Identified areas of Intellectual Property which been disclosed to the Public in any form – by written description.
- Has these potential IP known in the Public?
- Has the same Cutting Device been used in the Public domain?
- Has this information been disclosed in or contained any other earlier corresponding applications by the same Inventor?
- Has this Potential features of the Cutting Device has been described in writing?
- Have the Photographs of the Cutting Device taken and made known to Public?
- If it has been made public since when it has been made public?

Ascertaining what are the functional and aesthetic features

S.No.	Potential IP	Ascertaining Issues
1.	Specific Shape	The Specific Shapes distinguishes the Cutting Device from other similar gadgets in the Market – This Underlines its Novelty.
2.		It has been Created by Natesh while working in his Workshop. This underlines the Originality.
3.	Appeal to the eye	The Shape of Natesh’s device gives an appeal to eye. This underlines the aesthetic features.
4.	Ability to Carve all textures of wood	The Specific Shape apart from its Originality and appeal also has specific functional features that enhances the ability to cut all textures of the wood.
5.	Effectiveness of the Carving	It has been proven 15 times more effective than the Conventional.

Other issues

- Is Natesh Only Inventor? Does anybody have a stake in this new design developed?
- Which Countries Natesh would like to protect the Invention?
- Does Natesh want to assign the rights to anyone?
- When is Natesh likely to commercialise his Cutting Device? If so when?

- First to File: Natesh must be the first inventor to have filed the application. It is important that no similar design has been applied at the Patent Office for design registration.

Conditions and requirements fulfilled by device carve it

Aesthetic Design Protection Conditions and Requirements:

The Specific Shape of the Natesh Cutting Device has an appeal to the eye which underlines the aesthetic features of the Design.

Originality

It is Original because this Cutting Device has been created by Natesh while working in his workshop which is due to Natesh' higher level of ingenuity and is attributable to his creative inputs.

New and Novelty

The Novelty of Natesh Cutting Device is ascertained by the fact that it is easily distinguishable from other similar gadgets in the Market.

Not Common Place

The features described in Natesh Cutting Device seem to be not in the public domain. It is Intended to be multiplied by Industrial Process. The rationale behind Natesh Design Registration is very clear:

- Natesh getting due reward and recognition for his Invention.
- The Cutting Device can benefit other designers in the field.
- More importantly it would be to multiply it by Industrial process so that both the society and the Inventor are benefited by the Invention.

Features that appeal to the eye

The Special features of the Cutting Device have appeal to the eye and distinguish the Cutting Device from others of its type and class. While the Court and examiners areas ultimately are the arbiter of whether the device qualifies as a design, it is certain that Natesh' design would appeal to and be accepted by the likely customer of the class of the article to which the design is applied.

Commercial Prospects

The Cutting Device has enormous commercial Prospects since it is fifteen times more effective than the existing Devices in the Market.

Functional Design Protection and Requirements:

A functional design protection of Natesh Cutting device applies to the shape or configuration (not described elaborately in the question paper) which are necessitated by the function – that is the ability to cut hard and soft wood 15 times more effectively has been further strengthened by the Point that it has an aesthetic appeal too. This is not covered under the scope of design rights. It has to be explored under the patent law.

Exclusion of method, or principle of Construction

No method of manufacture of Natesh Cutting Device can be protected as a design because it is outside the scope and it can be protected by other forms of IP like the Patents.

Not Common place in the art

The fact that Natesh' Cutting Device is 15 times more effective in cutting soft and hard wood than any prior existing similar device. This is particularly remarkable since, despite well-sponsored research in this field, specialists hired by major companies to develop this simple and efficient device could not achieve the same results as Natesh. This is an important criteria to ascertain that the features which can be protected as an Intellectual Property does not exist in Prior art are not common place application of existing workshops or techniques.

Learning Point 3 - Reasons for applying for Design Protection:

Ownership of the Invention: By applying for Design Protection, Natesh can claim ownership of his own creation i.e. Cutting Device. An ownership for inherent Intellectual Property that manifests itself as functional and aesthetic features of a Unique Cutting Device.

Protection of the functional and aesthetic features: The Cutting device with its aesthetic features has an appeal to the eye. By Design Protection these aesthetic features are Protected. Moreover the functional features which enables the Cutting device to Cut fifteen times more effectively than the Conventional device is also a unique Intellectual Property which needs Protection.

Exclusionary Rights: With the help of Design Protection Natesh can exclude others from manufacturing or commercialising similar devices.

Monopoly: The Aesthetic Design Registration is for a period of 15 Years and Natesh can enjoy monopoly in the market for his Unique Invention.

Right to Commercialise/transfer/License: Natesh with the help of Design Registration can commercialise his Invention meaning he has the right to manufacture the Cutting Device. If he does not desire to manufacture, he has the right to License the IP to potential manufacturers who are Interested in Commercialise. Natesh as a right holder can also transfer the rights to his Successor or heirs too in the period of 15 Years for aesthetic Design.

Prevent Copying: With the help of Design Registration, Natesh can prevent the Copying of Similar design in India and Countries where he has protected his Design.

Take Infringement Action: With the help of Design Registration he can take Infringement action against the Possible Infringers who are copying his design and are undertaking Unauthorised Commercial activity.

Competitive Advantage: Natesh's unique cutting machine has proven to be 15 times more effective than the Conventional Ones. By Design registration, he retains his competitive advantage in the Market place.

Wealth Creation: Natesh can command a premium price for his Cutting Device, because of its usefulness and advantages in the Market Place. This will help him create wealth for his Invention.

Benefits to the Society: Above all, the Society is benefited by this Unique Invention. It triggers new Inventive Process in the similar field and brings in new and Innovative devices which benefit the mankind as a whole.

Learning Point 4 - The Steps to be taken to sell the Product worldwide:

Registration of the Design in Other Countries apart from Home Country:

With the advent of WTO Regulations it is important to have a claim of Ownership of Invention through the registration of Design in Home Country as well as Countries abroad wherever Natesh is interested to sell the Product. Therefore the following Steps to be taken:

- File the application for Design Registration in Home Country.
- Use Convention application i.e. Paris Convention or Hague Agreement which is applicable to the Home Country.
- Get the Design Registered in the Interested Countries where Natesh is interested to sell the Product.

Learning Point 5 - Protection of other forms of IP Inherent in “Carve it”:

Apart from the Unique Functional and Aesthetic features, the distinctiveness of the Cutting Device is established by word Mark – “Carve Plus” and the way it has been stylised i.e. as a Device Mark. Therefore it is also important to register it as a Trademark both in the Home Country and also in Individual Countries where Matt wishes to sell his Product.

Therefore a dual Protection through Design and Trademark is essential.

License the Design

- Alternatively, Natesh can License his Rights Obtained in the Individual Country to Interested Parties in other Countries and authorise them to manufacture and sell the Cutting Device.
- License the Trademark: Natesh could also License his Trademark to distributors or retailers in other country who can sell and market the product under the label – *Carve Plus*.

Learning Point 6 : Steps to be taken to prevent duplication of the Product – *Carve Plus* in the market place.

Jha should first generate evidence on how carve plus design being duplicated in the market. He should clearly analyse how the duplicated product is a clear cut imitation of Natesh’ product. He may be required to prove this in the court. Further, Natesh can institute a **suit for injunction as well as recovery of damages** against any person engaged in piracy of the registered design- *Carve Plus*. Such legal proceedings can be instituted from the date of registration and till the expiry of copyright. However, in case of reciprocity application, the registered proprietor can claim damages in only from the actual date on which the design is registered in India.

3.14 SUMMARY

- Design rights confers an exclusive right to right holder to make, sell, use, import, license or manufacture the registered designs or any design which is similar to the registered design. In practical situation, it is likely that a third party manufactures or sells, etc., the registered design or any similar looking design for commercial purposes. If the third party is not licensed to do so by the owner of the registered design right, such activity constitutes a design right infringement.
- The details of a registered design right are embodied and specified in the request submitted in the application for design registration, novelty description, and the attached drawings. It is to noted that the scope of a design right extends to not only the registered design but to any similar design.
- “Judgment by eye” is an important tool to determine whether the designs are similar to each other or not. Similarity of the design whether it is similar or not is an issue for the determination of design infringement. The rights mentioned in the act clearly differentiate between two important aspects: 1) Aesthetic appeal i.e. appeals to the eye and 2) The functional element. The functional elements are not protected through the design act; one has to seek protection under the Patents Act.

3.15 TERMINAL QUESTIONS

- 1) Describe in your own words what is the meaning of Copyrights in design.
- 2) What is licensing of design rights. Give examples.
- 3) What is Infringement of design rights give examples.
- 4) Write short notes on 1) Transfer of ownership of design rights and 2) Cancellation of design rights.

3.16 ANSWERS AND HINTS

Self Assessment Questions

- 1) Read Section 3.1
- 2) Functional elements are protected through Patents in India. It must satisfy the criteria of Patentability as per the provisions of the Patent act.
- 3) Read Section 3.2
- 4) Read Section 3.2
- 5) Read Section 3.3
- 6) One can institute a suit for injunction as well as recovery of damages against any person engaged in piracy of the registered design. Such legal proceedings can be instituted from the date of registration and till the expiry of copyright. However, in case of reciprocity application, the registered proprietor can claim damages in only from the actual date on which the design is registered in India.

- 1) Read Section 3.3
- 2) Read Section 3.8
- 3) Read Section 3.4 & 3.5
- 4) Read Section 3.9 & 3.10

3.17 REFERENCES AND SUGGESTED READINGS

- 1) Intellectual Property Laws - Universal' legal Manual, 2011 – Universal Law Publishing Co., New Delhi, India.
- 2) Understanding Designs Act by Srikanth Venkataraman – Universal Law Publishing Co. Ltd.
- 3) Presentations by Dr. G S Jaiya, Director SME Division WIPO on Intellectual property Rights for the benefit of MSME.(www.wipo.int)
- 4) Bare act, rules and notification on Industrial designs at the official website of Controller of Patents, Designs and Trademark, Govt. of India. (www.ipindia.nic.in)

UNIT 4 INFRINGEMENT AND REMEDIES

Structure

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Enforcement of Design Rights
- 4.4 Analysis on Imitation of Design
- 4.5 Impact of Infringement of Designs on the Right Holder
- 4.6 Case Laws on Infringement of Designs
- 4.7 Case Law on Infringement and Remedies
- 4.8 Piracy of a Design
- 4.9 Penalty for the Piracy of a Registered Design
- 4.10 Frequently Asked Questions
- 4.11 Summary
- 4.12 Terminal Questions
- 4.13 Answers and Hints
- 4.14 References and Suggested Readings

4.1 INTRODUCTION

Design rights confer an exclusive right to right holder to make, sell, use, import, license or manufacture the registered designs or any design which is similar to the registered design. In practical situation, it is likely that a third party manufactures or sells, etc., the registered design or any similar looking design for commercial purposes. If the third party is not licensed to do so by the owner of the registered design right, such activity constitutes a design right infringement.

The details of a registered design right are embodied and specified in the request submitted in the application for design registration, novelty description and the attached drawings. It is to noted that the scope of a design right extends to not only the registered design but to any similar design.

“Judgment by eye” is an important tool to determine whether the designs are similar to each other or not. Similarity of the design whether it is similar or not is an issue for the determination of design infringement. The similarity of design is determined in any one of the following manner:

Criteria 1	Criteria 2	Criteria 3	Criteria 4
The overall dominant constitution and the specific constitution of both designs	The feature characteristic creation, outstanding part when the article is being used, etc. of the designs	A common dominant constitution in both designs	A slightly different dominant constitution in both designs or the difference is not notable (i.e., the difference is a well-known constitution)

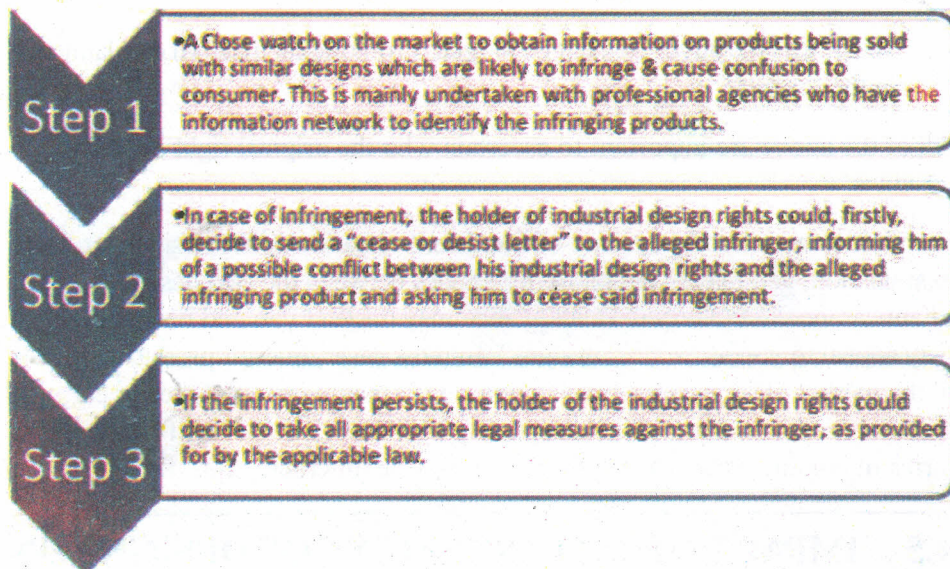
4.2 OBJECTIVES

By studying this unit, the reader is expected to understand the following concepts:

- enforcement of design rights;
- infringement of design;
- losses to right holder on account of Infringement;
- remedies for Infringement; and
- piracy of design and remedies:

4.3 ENFORCEMENT OF DESIGN RIGHTS

In order to leverage the Intellectual Property Rights protected by design registration the right holder has to chalk out effective enforcement strategies in the market which will facilitate commercial exploitation of intellectual property rights. Some of the strategies adopted are as follows:



The enforcement of industrial design rights may be a complex issue for which it is usually advisable to seek professional assistance from a lawyer who would in principle be the competent person to provide you with advice on how to settle any dispute.

4.4 ANALYSIS ON IMITATION OF DESIGN

To appreciate the importance of enforcement of design rights and also to chalk out strategies to tackle infringement of designs. Let us first understand the various types of infringement of designs.

Obvious imitation of the design: In the case of obvious imitation of the design. Both the designs will look similar and appeal to the eye is more or less the same. It will be very difficult for the common man in the market to exactly find out which is the real one and which one is the obvious imitation. These are points of concern to the right holder. An expert from the company will be able to establish the difference and point out the difference between those designs. Some of the

important elements could be: manufacturing code, labels, spare parts code etc. But for a common man it will be very difficult to understand the difference.

In the courts, when such imitations are challenged it will be very crucial for the plaintiff to prove that the design has been copied and that the colour, shape, configuration and patterns will deceive the consumer and force to buy the products. At the same time, it is to be noted that the imitator of the design must have taken the advantage of the goodwill of the right holder in the market place. Sometimes, practical issues like quality and service problems associated with the imitated products could further weaken the position of the right holder. This is a serious business issue which needs to be handled very carefully and with a lot of technical and legal assistance.

In the circumstances, it is also important to take note of the fact there are other issues which emerge such as:

- Who is actual right holder of the design – meaning who is the first applicant for the registration of design? What was the filing date of the application?
- When was the designs first advertised in the market?
- Was the design show cased in any exhibition?
- When was the advertisement catalogue, Promotional material etc. launched in the market?

All of the above are important to ascertain who the original right holder of the design is.

Fraudulent imitation: In the case of fraudulent imitation of the designs, on close examination, you may find a lot of differences between the two designs in terms of appearance. A cursory or quick glance may mislead you and both the design may appeal to you as “similar designs”. In most cases, inferior products are sold in the market. The products may be inferior in many aspects. Like for e.g.: the material used in making of the design may be inferior, the finish of the design in terms of colour, shape and configuration may be different.

4.5 IMPACT OF INFRINGEMENT OF DESIGNS ON THE RIGHT HOLDER

Considering the above cases, if you analyse there are serious losses to designer on account of imitation. They are as follows:

- **Market:** The duplicators and imitators will be quick to capture the market of existing products. The reputation the product has gained because of its originality and appeal will help the imitators to capitalise and take business advantage.
- **Price/Profitability:** The prices of the Original and imitated design may not be the same. Most often the imitated designs are cheaper. It would have cost less for the designer to develop the product. This will help him to sell the products at a lower price. This is a disadvantage to the designer especially if he is selling the products at a premium price. The imitation of the products will force the original designer to sell products at lesser price. This will affect his price and most important the business bottom lines i.e. profitability.

- **Good will:** The original design will have a good will in the market. Not only by the aesthetic features but also by the comfort, style and the overall appeal of the product. Good will is gained over a long period of time with continuous marketing efforts and most importantly the loyalty of the customer who attach importance to the products. Its appearance and most often after sales services. Good will of established designs will be one important criterion for the duplicators to take the business advantage and penetrate the market segment which would have never been possible.
- **Dilution of the Brand:** One of the serious concerns for the right holder is the fact that prolonged sales of duplicate products in the market can be of serious concern to existing brand value of the product. When the consumer is able to get a similar looking product at a lesser price, he will be forced to buy this product. In cases where the product quality is inferior, there is a chance the market value of the existing product may be seriously affected.

It is known fact that some of the biggest brands in the market are facing this challenge, the need to uphold the brand value against the duplicate products in the market.

Unfair competition in the market: In the macroeconomic perspective, the practice of duplication and imitation of original design will perpetuate imitators in the market and encourage un ethical practices in the market. This will promote unfair competition in the market. Before we appreciate the remedies on account of infringement of designs, it is first important for us to analyse some case studies with respect to infringement of designs.

Self Assessment Questions	(Spend 2 minutes)
<p>1) Summarise the key learning points on what is design infringement and what are the losses to the design right holder.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	

4.6 CASE LAWS ON INFRINGEMENT OF DESIGNS

Let us examine the following cases to understand the infringement issues.

Argument 1: Shape known to the public but applied in a novel manner to a different Product

Citing the case of **Saunders v. Wiel**¹ - the owner of the registered design owned a design for the handles of spoons which represented a particular view of the famous Westminster Abbey. The idea was originally taken from a photograph.

¹ Great Britain courts reports of patent design and trademark Vol X no.4, page 29.

Saunders brought an action to recover penalties for infringement from Wiel since the defendant reproduced the identical design on his spoons. This was an action for infringement of design 175644 for the "pattern and shape of spoon or fork handle in metal. The defendant argued that the shape of Westminster Abbey was not a design in the sense of the Act. A photo of Westminster Abbey was not a design either. The plaintiff's design was not a new or original design not previously published in the United Kingdom, and was not good subject matter of a design.

The court observed that the design was novel because it had not previously been applied to an article of manufacture. The position for public buildings was the same as for natural objects or artistic works, none of which were designs of industrial articles, and so none of which could take away the novelty of a design. At the trial it was held that the design was a proper subject of registration and had been infringed.

Argument 2: Prior publication before registration of design.

The case of *Texla Metals and Plastics Pvt. Ltd. v. Anil Bhasin and Ors*² is an interesting case not only to understand the interpretation of prior publication but also throws light on the comparative analysis of the Designs Act 1911 v. Designs Act, 2000.

Section 43 (1) of the earlier Design Act, 1911 states that the Controller may, on the application of any person claiming to be the proprietor of any new or original design not previously published in India, register the design under this Part.

But if you compare the Section 4(b) of the present Design Act, 2000 which states that prohibition of registration of designs if the design is disclosed to the public in India or any other country.

Texla has obtained a registration of a design of a bollard - a road safety marker with effect from 21st September, 1988. The Defendant is also into manufacturing bollards. The Plaintiff claim is that the Defendant is infringing the designs of the Plaintiff and, therefore, an injunction should be granted restraining the Defendant from manufacturing bollards and delineators which infringe the design of bollards and delineators designed by Plaintiff.

The Defendant's argument was that these items have been used as road safety markers in Korea and Japan. Citing Section 43 of the Designs Act, 1911 which had the provision for the making of an application by any person claiming to be the proprietor of any new or original design not previously published in India. A design when so registered will be effective from the date of the application for registration. Section 51-A of the Designs Act, 1911 provides for the cancellation of a registration already granted. The registration of a design may be cancelled if the design has been previously registered in India or it has been published in India prior to its registration or if the design is not a new or an original design.

The Defendant argued that the designs have been published in India prior to the date of the application of the Plaintiff and the design is not a new or an original design.

The Court has held that mere receipt of brochures from foreign countries would not amount to publication of such designs within India. If the defendant has

² 2001 (21) PTC 146 (Del.).

received brochures from Malaysia, Korea and Japan, the mere receipt of such brochures would not amount to publication of such designs within India.

The basic nature and design of a bollard and a delineator would essentially be the same all over the world like traffic lights for example. But what has to be remembered is that bollards and delineator's which are designed by the plaintiff and which are being manufactured by it were not available in India prior to the date of registration of the plaintiff's design.

Therefore, while it can be said that the designs were not completely new or original elsewhere, it cannot be said that it is not a new or an original design so far as India is concerned. The concept of a new or an original type of design is reliable to the publication of such a design or its availability to the public in India. This decision also, therefore, does not advance the case of the defendant any further. Under the circumstances, the plaintiff has made out a case for the grant of an injunction.

Argument 3: Judging by eye or Appeal to eye is important criteria to ascertain whether the design is similar and also to ascertain the novelty.

If you analyse the case of *Vikas Jain v. Aftab Ahmad and Ors*³ -Vikas Jain was owner of the copyright in a registered design of a Toy Scooter. It was marketed under the brand name – Boom Scooty. He noticed that Aftab Ahmad was manufacturing and marketing a toy scooter under the name – Dhoom trendy which was exactly similar to his design. Vikas Jain through the infringement suit utilised the rights provided in the Section 22 of the Design Act, 2000 which states that during the existence of copyright in any design it is unlawful and fraudulent for Aftab Ahmed to imitate the design of his product. Moreover he has neither sought any license or written permission from Vikas Jain to do so. Aftab Ahmad challenged the allegation on the ground that there design of Vikas Jain were copied from Hong Kong and he produced evidence in the court in the form of advertisement in news magazines. The challenge before the court was to ascertain the novelty. Herein, the court did a comparative analysis:

Vikas Jain Design	Hong Kong Design
scooter was a two wheeler	design was applied to a two-wheeler scooter
design included a rider	design did not have a rider
<i>difference in size, inclusion of a footrest, handle etc.</i>	

It also applied the principle of appeal to eye and concluded that Vikas Jain's design was not a prima facie imitation of the Hong Kong design. Vikas had made imparted sufficient novelty to the designs and while "discerning through the naked eye – the designs were not identical".

On comparing the three designs, viz., the Hong Kong design, Vikas Jain's design and Aftab Ahmad's the Judge concluded that while there was dissimilarity between Vikas Jain's design and Hong Kong design, however, Aftab Ahmed's seemed to be a copy.

Argument 4: An imitation of the registered design sufficient to destroy the exclusive right of user of the proprietor despite the fact that no confusion is or may be caused as to the source of the goods.

³ 2008(1) CTMR 43 (Delhi).

In the case of **Castrol India Ltd. v. Tide Water Oil Co. (I) Ltd**⁴. reported in the Calcutta High Court the interpretation of the court on the impact of imitation of a registered design is noteworthy and the highlight of the case.

Castrol's statement of novelty filed was in respect of the shape, configuration and surface pattern particularly the ridged side of the container. The novelty was not claimed either in relationship to the proportion of the shape or in the colour used.

It was observed that there was a difference in the proportion of the container and the colour between the Castrol' containers and the defendant's containers.

Courts observed that it was not immaterial as of the colour nor the proportions were part of the registered design. The Court further held that the test of deceptive similarity would be appropriate whether the petitioner pleads passing off. But in cases of infringement of design- *"the question is not whether the similarity has or is likely to cause confusion or deception of a purchaser but whether the similarity is an imitation of the registered design sufficient to destroy the exclusive right of user of the proprietor despite the fact that no confusion is or may be caused as to the source of the goods. Otherwise every registered design could be imitated with impunity merely by changing the colour of the two products. The Court, therefore, held that the respondents have so imitated the petitioner's design as to deprive the petitioner of the protection under the Statute"*.

Self Assessment Questions	(Spend 2 minutes)
2) Who determines the Infringement of the design?
3) List out important learning points from the case studies described above.

4.7 CASE LAW ON INFRINGEMENT AND REMEDIES:

Let us examine the *Troika Pharmaceuticals ltd Ahmedabad v. Pro. Laboratories (p) ltd*. It is a case to understand what causes deception to the minds of the ultimate user in the case of registered designs and how the courts view the entire situation in terms of infringement. It also throws light on the remedies granted on account of design registration.

⁴ 1996 PTC (16) 202.

Troikka is in the business of manufacturing and marketing pharmaceutical and medicinal preparation and surgical goods. It had developed a unique design for tablet sold under trademark DYNAPAR .Pro. Laboratories ltd which is a company engaged in the business of manufacturing and marketing pharmaceutical and medicinal preparation at Hardwar and was selling the product in Ahmedabad.

Troika with a view to distinguishing its shape of product from the products of others has adopted a unique design and configuration of the tablet called D Shape Tablet and to protect the design of the tablet, the plaintiff has applied for registration of design under the Design Act, 2000 to the Controller General of Patents and Designs. After verifying the said design the Controller General of Patents and Designs had registered the said design of the plaintiff in respect of tablet under No. 186992 in Class 28 from 16.10.2001.

- As per the provisions of the Designs Act, 2000 the exclusive right to use the said design is granted for a period of 10 years from 16.10.2001, which can be extended for a further period of 5 years.
- By virtue of this registration of design Troika is the exclusive owner of the D Shape Tablet.

Therefore, if any person, firm or company adopts and/or imitates the design and/or configuration of the tablet of the plaintiff, the said person, firm or company is **liable for infringement of design** of the Troikka under the provisions of the Designs Act.

As per Section 22 of the Designs Act, 2000, no person, firm or company is entitled to apply or cause to be applied to any article in any class of articles in which the design is registered or obvious imitation thereof, or to import for the purpose of sale, any such article or manufacture or market any such article without the license or written permission of the plaintiff, is liable for infringement of exclusive right of copyright under the Designs Act in favour of the plaintiff.

The contravention of any such right by any person, firm or company, is liable to pay to the registered proprietor any damage and this Court is empowered to restrain any such infringement of the plaintiff's right granted under the said registration.

Troika came to know that the Pro Laboratories has adopted identical design, shape and configuration of the plaintiff, and the plaintiff has come to know that the defendant has substantial and material reproduction of the design of the plaintiff and thereby, has committed infringement of the registered design of the plaintiff under No. 186992.

Troikka filed Regular Civil Suit No. 2486 of 2007 in the City Civil Court at Ahmedabad sought the following demands from the court:

- 1) **Permanent injunction**⁵ restraining the defendants, their agents, dealers, distributors, stockists from manufacturing, marketing and using the impugned design registered under No. 186992 in Class 28 on 16.10.2001 in respect of D Shape Tablet and/or any tablet, which is having similar shape and configuration or material reproduction of the plaintiff's registered design.

⁵ **Permanent injunction** n. a final order of a court that a person or entity refrain from certain activities permanently or take certain actions (usually to correct a nuisance) until completed. A permanent injunction is distinguished from a "preliminary" injunction which the court issues pending the outcome of a lawsuit or petition asking for the "permanent" injunction.

- 2) Permanent injunction restraining the defendants from printing, publishing, using, marketing, copying or imitating the impugned design of tablet, its drawings and parts thereof and restraining them from committing infringement of the design of the plaintiff.
- 3) The plaintiff has also requested the direction of the court to the defendants to pay the **sum of Rs. 50,000/- for the damage** caused to the plaintiff on account of infringement of the plaintiff's registered design.
- 4) Order the defendants to render true and correct account of the goods manufactured and sold by the defendant after notice and after verifying the same, to pass a decree of such **amount of profit** earned by the defendants.
- 5) The plaintiff wanted the defendants to hand over blocks, dyes, patterns, parts thereof and drawings of the product which are used manufactured and marketed by them, which is infringement of the registered design of the plaintiff. All such **material should be given to the plaintiff for destruction.**

In addition, the plaintiff has also moved an injunction application praying for **temporary injunction** restraining the defendants, their agents, dealers, distributors, stockists for manufacturing, marketing and using the impugned design registered under No. 186992 in Class 28 on 16.10.2001 in respect of D Shape Tablet and/or any tablet, which is having similar shape and configuration or material reproduction of the plaintiff's registered design.

The plaintiff further prayed to grant temporary injunction restraining the defendants, their servants, partners, agents, dealers, distributors, stockists from printing, publishing, using, marketing, copying or imitating the impugned design of tablet, its drawings and parts thereof and restraining them from committing infringement of the design of the plaintiff.

Section 22 of the Designs Act, 2000 is also relevant for the purpose of deciding controversy between the parties. It deals with piracy of registered design. The plaintiff's case before the Court is that the plaintiff's registered design i.e. D Shape Tablet has been imitated by the defendants in its shape, colour and configuration etc. Section 22 (2) provides that if any person acts in contravention of this section, is liable for every contravention-

- a) to pay to the registered proprietor of the design a sum not exceeding twenty five thousand rupees recoverable as a contract debt, or
- b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, to pay such damages as may be awarded and to be restrained by injunction accordingly. Provided that the total sum recoverable in respect of any one design under Clause a) shall not exceed fifty thousand rupees. It is only by virtue of Section 22, the plaintiff has prayed for the injunction as well as recovery of fifty thousand rupees by way of damages.

Self Assessment Questions

(Spend 2 minutes)

- 4) Remember and list out the damages claimed by the Plaintiff

.....
.....
.....
.....

The following were the specific grounds of Infringement as claimed by Troika against Pro laboratories:

Marketing and using the design registered under No. 186992 in Class 28 on 16.10.2001 in respect of D Shape Tablet which is having similar shape and configuration or material reproduction of the plaintiff's registered design.

Printing, publishing, using, marketing, copying or imitating the impugned design of tablet, its drawings and parts thereof and restraining them from committing infringement of the design of the plaintiff.

Despite the fact that the plaintiff is the registered proprietor of the design, the defendants with malafide intention have imitated the design and configuration of the D Shape Tablet of the plaintiff. The defendants have adopted identical design of tablet in D Shape Tablet as of the plaintiff's registered design in an identical and similar manner. From the documents produced before the Court, it is very clear that the defendants have imitated and copied the design of the plaintiff's product and have infringed the said design of the plaintiff. It is, therefore, submitted that under the provisions of the Designs Act, the defendants are required to be restrained by an order of injunction from infringing the design of the plaintiff.

For promoting the sale of the plaintiff's product as per the said registered design, the sales promotion expenses incurred by the plaintiff runs into lacs of rupees. Because of very high standard quality of the product and the labour exerted by the plaintiff through their representatives, dealers, agents etc. the sale of the product of the plaintiff has increased and the same runs into crores of rupees.

The defendants are well aware of the plaintiff's registered design, its market, and reputation and utility. The defendants have knowingly made substantial and material reproduction and imitated the plaintiff's design with the same shape and configuration and thereby have tried to gain illegal profit and advantage of the unique design of the plaintiff.

By use of similar shape of tablets with similar colour scheme, the defendants have caused injury to the business, reputation and goodwill of the plaintiff and the plaintiff has suffered great irreparable loss and injury in its business and also its reputation and goodwill, which the plaintiff has acquired by spending huge amount for promoting the sale of its product.

The defendant has no right to use the same design and make substantial reproduction of the registered design of the plaintiff. The defendants have, therefore, held themselves liable for infringement of the registered design of the plaintiff.

Plaintiff has acquired statutory right, spent huge amount of money for preparing the said design, exerted labour and acquired statutory protection under the Designs Act, 2000. The defendants have with a view to encroach upon the market and goodwill of the plaintiff, imitated the plaintiff's design and have placed in the market identical product with identical shape and configuration and thereby committed infringement of plaintiff's registered Design No. 186992 and causing great loss and injury and damaging the business, reputation and goodwill of the plaintiff.

Plaintiff has a strong prima facie case, as the plaintiff has acquired statutory right, whereas the defendants have no right. The defendants are the imitators and are

not in a position to give any explanation as to how they have adopted identical shape and configuration. It is obviously malafide attempt on the part of the defendant to encroach upon the business, reputation and goodwill of the plaintiff and thereby earn illegal profit. The defendants are, therefore, required to be restrained by order of injunction of this Court from manufacturing, marketing, advertising and promoting for sale their design of tablet, which is substantial and material reproduction of the design of tablet registered in favour of the plaintiff under No. 186992.

Counter defence to challenge the grounds of Infringement

Having been alleged that design is being copied in the market and that it is being illegally marketed and traded in the market. The defence counsel has to evolve an effective defensive strategy to counter the allegations.

Countering this challenge the defendants moved an application for cancellation of design of the Plaintiff under Section 19 of the Design Act. This is one of the conventional strategies adopted by defendants to counter the appellant' ground of infringement. If they are able to prove that the Plaintiff' design registration is invalid, then it will shake the entire foundation of the infringement.

The following were the counter arguments:

Present suit for alleged infringement of design and for accounts as filed by the plaintiff before this Court is not maintainable and that the same deserves to be dismissed with costs.

Even on merits, the objection is raised to the effect that the plaintiff has made absolutely **false claims** regarding it being the author/proprietor of D Shape design for its pharmaceutical product/ medicinal preparation.

The registration of the plaintiff's design is not valid as the design of the plaintiff is not registrable under Section-4 of the Designs Act, 2000.

The plaintiff, by misleading the Controller of Designs and suppressing material facts, regarding prior publication and application of the said D Shape by various pharmaceutical companies, has caused the D Shape design to be registered in its favour.

It is further submitted that the D Shape design as claimed by the plaintiff is not a new or original design and is also not new in its application to pharmaceutical products/medicinal preparation.

The D Shape design referred to by the plaintiff cannot be under any circumstances called a new or original design in as much as the very design of the tablet. D Shape is in fact a reproduction of the shape of the letter 'D' of the English Alphabet which is known to the public at large and published in tangible form. The said D Shape resembles to semi-circle i.e. a half circle, it is, therefore, submitted that the D Shape design of the plaintiff is not significantly distinguishable from known designs i.e. shape of letter 'D' of English Alphabet and shape of semi-circle and, therefore, is prohibited from registration under Section 4 of the Designs Act, 2000.

Design is common to trade in India:

It is noted that several other pharmaceutical Companies in India are applying the same D Shape design to its pharmaceutical products and medicinal preparations.

It proves the fact that the design is common to trade practice in India. While considering the application of D Shape design to pharmaceutical/medicinal tablet, such D Shape design of a tablet has been published in India and abroad prior to the registration of design of the plaintiff and has been applied by various pharmaceutical companies to its pharmaceutical products/medicinal preparation much prior to the plaintiff's application of the design to its product as well as plaintiff's registration of the design. It is, therefore, submitted that such D Shape design is prohibited from registration under Section 4 of the Design Act, 2000 and thus registration of plaintiff's design is liable to be cancelled under the provision of the Designs Act, 2000.

Not significantly distinguishable to the consumer:

The use of such design being common to trade. A consumer buying a similar table does relate the shape to that of the Plaintiff's. Therefore public at large are not deceived to buy the product. Therefore there is no imitation of the plaintiff design. The D Shape design of the plaintiff is not significantly distinguishable from known designs.

It is also to be noted that the defendant has filed an application dated 18.12.2007 under Section 19 of the Design Act, 2000 applied for cancellation of the design of the plaintiff and the application was on date pending for hearing before the Controller of Designs. The plaintiff was very much aware about prior, open and wide publication and application of D Shape design to pharmaceutical tablets by various pharmaceutical companies in India and abroad.

The defendant argued that the plaintiff intentionally with an ill-design to get D Shape design of tablet registered in its name, has suppressed material facts and has falsely claimed itself to be the author/proprietor of the said shape before the Controller of Designs and has resultantly succeeded in obtaining the same registration under No. 186992.

The plaintiff intends to avoid genuine competition in the market. It is taking undue advantage of such registration of the design to prevent other companies like the defendant, who have honestly adopted the D Shape for their tablet, from manufacturing and marketing their products with D Shape design. Therefore the suit as well as injunction application of the plaintiff is required to be dismissed.

Evidence in support for the Counter argument.

Pfizer Ltd., a reputed Multi National Company has published such D Shape design and has applied the same to its pharmaceutical product/medicinal preparation way back in the year 1956. According to the defendant the plaintiff is applying the same design to its products. Hence, it is clear that the plaintiff is not the author or originator of the said D Shape design. Therefore the argument was that the D Shape design is not new or original, as claimed by the plaintiff and that the said design was published and known to the public at large much prior to the registration of the design of the plaintiff.

The defendant also produced to the court a list of document such as copy of petition under Section 19 of the Designs Act, 2000 for cancellation of design, copy of relevant extract regarding drug of Pfizer Ltd., taken from the website, copy of picture of drug of Pfizer Ltd., copy of relevant extract regarding Amerge drug taken from the website.

If this is proven and accepted then the plaintiff 'design is liable to be cancelled as the registration of the said design is prohibited under Section 4 of the Design Act, 2000.

Section 4 of the Designs Act, 2000 deals with prohibition of registration of certain designs. It says that a design which-

- a) is not new or original; or
- b) has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration; or
- c) is not significantly distinguishable from known designs or combination of known designs; or
- d) Comprises or contains scandalous or obscene matter, shall not be registered.

The main argument of the defendant is that the plaintiff's design lacks novelty or originality. The plaintiff's design is also not registrable as it has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date and it is also not significantly distinguishable from known designs or combination of known designs. Since the plaintiff's design is not registrable, the defendant has filed an application for cancellation of registration. The grounds for cancellation of registration are mentioned in Section 19 of the Designs Act, 2000. Section 19 of the Designs Act, 2000 says that;

(1) Any person interested may present a petition for the cancellation of the registration of a design at any time after the registration of the design, to the Controller on any of the following grounds, namely:

- a) that the design has been previously registered in India; or
- b) that it has been published in India or in any other country prior to the date of registration; or
- c) that the design is not a new or original design; or
- d) that the design is not registrable under this Act; or
- e) that it is not a design as defined under Clause (d) of Section

The defendant has challenged the plaintiff's registration on the ground that the plaintiff's design has been published in India or in any other country prior to the date of registration and that the design is not new or original design.

Further Argument in favour of the Plaintiff

The Plaintiff counter argued stating that no other product, namely, D Shaped Tablet was available in the market prior to the date of registration of the design applied by the plaintiff. Various documents referred in the affidavit on behalf of the defendant Company are misleading and are made to misdirect the Court and confuse the issues involved in the matter.

The purpose was to use D Shape tablet and take advantage of the high reputation and goodwill and to gain illegal profit. The defendants have designed identical

shape of medicine with identical colour combinations to pass off their manufactured tablets such as DARDPAR, DOOPAR, DENPAR and DICLOFEN PLUS which looks like identical and/or deceptively similar trade mark or brand names with that of the plaintiff's DYNAPAR.

All these 'D' shaped pharmaceutical products are manufactured by the defendant No. 1, which is imitation or infringement of the plaintiff's registered design and hence the defendants are restrained by an order of injunction from this Court. The defendants are still continuing their unlawful activity by disobeying the order of this Court. Knowing fully well that their activity is illegal and contrary to the order of this Court, the defendants are liable for committing breach of the order of this Court. It is very clear that the activity of the defendant is malafide and contrary to law. They have continued their unlawful activity in spite of the injunction from this Court. The defendants are, therefore, not required to be heard unless they purge the contempt committed by them by disobeying the order of injunction granted by this Court.

Even after the grant of temporary injunction, the defendant was continuing its unlawful activity. The plaintiff stated that representative from their company found the product of the defendant containing the trade mark DENPAR in strip packing with the tablets of different shape and DENPAR tablets in plastic bags with different colour scheme containing white and orange colour. It is, therefore, clear that even after the injunction, the defendants first changed the colour of the tablets and subsequently changed shape of the tablet. This clearly establishes that even if the defendants are restrained by an order of injunction, as prayed for, till the disposal of the suit, the defendants will be in a position to continue their unlawful activity under different shapes of tablets than the shape registered in favour of the plaintiff company.

The court held that the D Shape Tablet may not be considered to be new or original in its plain sense. However, its application on the Tablet can certainly assume some sort of novelty and this novelty cannot be destroyed by its having been taken from a source common to mankind. According to the court, the "test of ascertaining whether the two designs are identical is that the designs have to be judged by the eye and each design has to be compared to a whole with all its component features, important and unimportant. It is open for the plaintiff to demonstrate that even if the plaintiff's design is regarded as having been inspired by some previous designs, the plaintiff has introduced sufficient novelty so as to constitute a new and/or original design. Previously published designs of other Companies have not been produced before the Court except in pictures and photos. The plaintiff's D Shape tablets as well as defendant's D Shape tablets are produced which are more or less similar. The defendant's D Shape tablets are similar in shape as well as in colour with that of the plaintiff. It would certainly create deception in the mind of ultimate user." The Court allowed the injunction application and restrains the defendants from manufacturing, marketing and using the impugned design.

The Court found that prima facie case, balance of convenience and irreparable injury are found to be in existence in the present case. The Court, therefore, allowed the injunction application and restrained the defendants from manufacturing, marketing and using the impugned design registered under No. 186992 Clause 28 on 16.10.2001 in respect of D Shape Tablet and/or any other Tablet which is having similar shape colour and configuration or material reproduction of the

plaintiff's registered design, during the pendency and final disposal of the suit or till the plaintiff enjoys the registration of the said D Shape tablets.

Self Assessment Questions	(Spend 2 minutes)
5) Do you agree with the judgement of the case? What is your personal opinion?	
.....	
.....	
.....	
.....	

4.8 PIRACY OF A DESIGN

Piracy of a design means the application of a design or its imitation to any article belonging to class of articles in which the design has been registered for the purpose of sale or importation of such articles without the written consent of the registered proprietor. Publishing such articles or exposing terms for sale with knowledge of the unauthorised application of the design to them also involves piracy of the design.

Counterfeiting and Piracy is an alarming issue especially considering the fact there are organised criminal networks which thrive on this illegal activities. This poses serious concerns to the society in terms of security, economic losses and overall health and wellbeing of the society.

Counterfeiting and piracy thrive in the market due to the following reasons:

- 1) Profitability: The prices of pirated products are deliberately lowered than the original ones so that the consumers are forced to buy the cheaper products in the market. This helps him to erode the market of the genuine product and take business advantage out of the lower price.
- 2) Weak enforcement of Intellectual Property Law is one of the important reasons as to why the counterfeiters perpetuate in the market. If the imitator is able to get away with spurious products in the market, it encourages him to perpetuate the crime.
- 3) Pirated products are cheaper and faster to make and most often they pass on inferior products in the market. It is cheaper and faster because the design is already known and the effort is minimal to copy and produce a product which is similar in shape, colour, pattern or configuration.
- 4) Lack of Awareness among the consumers is also one of the contributing factors. The consumer is not able to distinguish between the original and duplicate products. This facilitates the buying of fake products.
- 5) Sometimes it is also the ease of replication which encourages the imitator to duplicate the product. It takes hard work, research and experimental efforts to produce a new design. It is easier for an imitator to imitate the existing design and sell in the market.

During the existence of copyright in any design it shall not be lawful for any person, without the licence or written consent of the registered proprietor⁶:

- 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, or to do anything with a view to enable the design to be so applied;
- to import such article for the purposes of sale; and
- to publish or expose or cause to be published or exposed for sale, that article.

The proprietor of the design gets exclusive right to apply the design to the article in a class in which the design is registered. A registered proprietor can institute a **suit for injunction as well as recovery of damages** against any person engaged in piracy of the registered design. Such legal proceedings can be instituted from the date of registration and till the expiry of copyright. However, in case of reciprocity application, the registered proprietor can claim damages in only from the actual date on which the design is registered in India.

Copyright shall not subsist under the Copyright Act⁷ in any design which is registered under the Designs Act.

Copyright in any design, which is capable of being registered but which has not been so registered shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process, by the owner of the copyright, or with his license, by any other person.

The proprietor shall have copyright in the design⁸ for ten years from the date of registration. This period of ten years can be extended by five years, if the registered proprietor applies for extension in prescribed manner.

A proprietor shall have no right to institute a suit or proceeding in respect of piracy of design or infringement copyright, which has been committed between the date on which the design ceased to have effect and the date of restoration of the design.

4.9 PENALTY FOR THE PIRACY OF A REGISTERED DESIGN

If anyone contravenes the copyright in a design he is liable for every offence to pay a sum not exceeding Rs. 25,000/- to the registered proprietor subject to a maximum of Rs. 50,000/- recoverable as contract debt in respect of any one design. The registered proprietor may bring a suit for the recovery of the damages for any such contravention and for injunction against repetition of the same. Total sum recoverable shall not exceed Rs. 50,000/- as contract debt as stated in Section 22(2)(a). The suit for infringement, recovery of damage etc. should not be filed in any court below the court of District Judge.

⁶ Section 5(6) and Section 22.

⁷ Section 15 of the The Copyright Act, 1957.

⁸ Section 11.

In *Schrender S.A (Plaintiff) v. Twinkle Luminary's Pvt. Ltd (Defendant)*⁹, the plaintiff by filing a suit for permanent injunction restraining the defendant from manufacturing, selling etc. luminaries and lighting fixtures on the ground that the defendant had infringed the registered designs of the plaintiff. During the litigation proceedings, the court referred to Section 22 of the design act and compared the products of the plaintiff and defendant and came to the conclusion that the defendant's product was an imitation of the plaintiff's registered design and also the fact that the plaintiff has not given any license or written permission to the defendant. The court held that the plaintiff is entitled to a decree of mandatory injunction.

It is always advantageous to the registered proprietors to mark the article so as to indicate the number of the registered design except in the case of Textile designs. Otherwise, the registered proprietor would not be entitled to claim damages from any infringer unless the registered proprietor establishes that the registered proprietor took all proper steps to ensure the marking of the article, or unless the registered proprietor show that the infringement took place after the person guilty thereof knew or had received notice of the existence of the copyright in the design.

4.10 FREQUENTLY ASKED QUESTIONS (FAQ)¹⁰

Is it mandatory to make the article by industrial process or means before making an application for registration of design?

No, design means a conception or suggestion or idea of a shape or pattern which can be applied to an article or intended to be applied by industrial process or means. Example- a new shape which can be applied to a pen thus capable of producing a new appearance of a pen on the visual appearance. It is not mandatory to produce the pen first and then make an application.

Is it possible to re-register a design in respect of which Copyright has expired?

No. A registered design, the copyright of which has expired cannot be re-registered.

Can the same applicant make an application for the same design again, if the prior application has been abandoned?

Yes, the same applicant can apply again since no publication of the abandoned application is made by the Patent Office, provided the applicant does not publish the said design in the meanwhile.

How to get information on registration of design?

After registration of designs the most relevant view(s) of the article along with other bibliographic data will be available in the official gazette, which is being published on every Saturday. However, such provision cannot be implemented at this stage due to insufficient infrastructure.

What is meant by priority claim?

India is one of the countries party to the Paris Convention so the provisions for the right of priority are applicable. On the basis of a regular first application filed in one of the contracting state, the applicant may within the six months apply for

⁹ AIR 2008, DEL 137 : 2008 (37) PTC 343.

¹⁰ www.ipindia.nic.in : website of the office of Controller of Patents, Designs & Trademarks.

protection in other contracting states; latter application will be regarded as if it had been filed on the same day as the first application.

How it is possible to restore the lapse design due to non-payment of extension fee within prescribed time?

A registration of design will cease to be effective on non-payment of extension fee for further term of five years if the same is not paid before the expiry of original period of 10 years. However, new provision has been incorporated in the Act so that lapsed designs may be restored provided the following conditions are satisfied:

- 1) Application for restoration in Form-4 with fee of Rs. 1,000/- is filed within one year from the date of lapsed stating the ground for such non-payment of extension fee with sufficient reasons.
- 2) If the application for restoration is allowed the proprietor is required to pay the extension fee of Rs. 2,000/- and an additional fee of Rs. 1,000/- and finally the lapsed registration is restored.

Can the name, address of proprietor or address for service be altered in the register of design?

Name of the registered proprietor, address or address for service can be altered in the register of designs provided this alteration is not made by way of change of ownership through conveyance i.e. deed of assignment, transmission, licence agreement or by any operation of law, for which reference may be made to the answer against Q. 21. Application in form-22 with a fee of Rs. 200/- should be filed to the Controller of Designs with all necessary documents in support of the application as required.

Are the registered designs open for public inspection?

Yes, registered designs are open for public inspection only after publication in the official gazette on payment of prescribed fee of Rs. 500/- on a request in Form-5.

Can the application for registration of design be filed by the applicant himself? Only or through a professional person?

The application for registration of design can be filed by the applicant himself or through a professional person (i.e. patent agent, legal practitioner). However, for the applicants not resident of India an agent residing in India has to be employed.

How does a registration of design stop other people from exploiting?

Once a design is registered, it gives the legal right to bring an action against those persons (natural/legal entity) who infringe the design right, in the Court not lower than District Court in order to stop such exploitation and to claim any damage to which the registered proprietor is legally entitled.

What are the important criteria for determining a “set of article”?

If a group of articles meets the following requirements then that group of articles may be regarded as a set of articles under the Designs Act, 2000:

- a) Ordinarily on sale or intended to be used together.
- b) All having common design even though articles are different (same class).

c) Same general character.

Generally, an article having the same design and sold in different sizes is not considered as a set of articles. Practical example: "Tea set", "Pen set", "Knife set" etc.

What is an artistic work which is not subject matter of registration?

Ans.: An artistic work as defined under Section 2(c) of the Copyright Act, 1957 is not a subject matter for registration which reads as follows:

"Artistic works" means: -

- i) A painting, a sculpture, a drawing (including a diagram, map, chart or plan) on engraving or a photograph, whether or not such work possesses artistic quality.
- ii) An work of architecture, and
- iii) Any other work of artistic craftsmanship.

What is meant by classification of goods mentioned in the Third Schedule?

In the third Schedule of Design Rules, 2001 the classification of goods has been mentioned. The classification is based on Locarno Agreement. Only one class number is to be mentioned in one particular application. It is mandatory under the Rules. This classification has been made on the basis of Articles on which the design is applied.

Practical Example: If the design is applied to a toothbrush it will be classified under class 04-02. Similarly if the design is applied to a calculator, it will be classified in class 18-01. Subsequent application by the same proprietor for registration of same or similar design applied to any article of the same class is possible, but period of registration will be valid only up to period of previous registration of same design.

What is meant by Property mark as per the Indian Penal Code (Sec. 479)?

A mark used for denoting that movable property belongs to a particular person is called a property mark. It means that marking any movable property or goods, or any case, package or receptacle containing goods; or using any case, package or receptacle, with any mark thereon.

Practical example: The mark used by the Indian Railway on their goods may be termed as a Property Mark for the purpose of easy identification of the owner.

4.11 SUMMARY

- To appreciate the importance of enforcement of design rights and also to chalk out strategies to tackle infringement of designs. Let us summarise the important types of infringement of designs.
- Obvious imitation of the design: In the case of obvious imitation of the design. Both the design will look similar and appeal to the eye is more or less the same. It will be very difficult for the common man in the market to exactly find out which is the real one and which one is the obvious imitation. These are points of concern to the right holder. An expert from the company

will be able to establish the difference and point out the difference between those designs. Some of the important elements could be: manufacturing code, labels, spart parts code etc. Otherwise for a common man it will be very difficult to understand the difference.

- In the courts, when such imitations are challenged and it will be very crucial for the appellant to prove that the design has been copied and that the colour, shape, configuration and patterns will deceive the consumer and force to buy the products. At the same time, it is to be noted that the imitator of the design must have taken the advantage of the goodwill of the right holder in the market place. Sometimes, practical issues like quality and service problems associated with the imitated products could further weaken the position of the right holder. This is a serious business issue which needs to be handled very carefully and with a lot of technical and legal assistance.
- In the circumstances, it is also important to take note of the fact there are other issues which emerge such as:
 - Who is actual right holder of the design – meaning who is the first applicant for the registration of design? What was the filing date of the application?
 - When was the designs first advertised in the market?
 - Was the design show cased in any exhibition?
 - When was the advertisement catalogue, Promotional material etc. launched in the market?
- All of the above are important to ascertain who the original right holder of the design is.
- **Fraudulent imitation:** In the case of fraudulent imitation of the designs, on close examination, you may find a lot of differences between the two designs in terms of appearance. A cursory or quick glance may mislead you and both the design may appeal to you as “similar designs”. In most cases, inferior products are sold in the market. The products may inferior in many aspects. Like for e.g.: the material used in making of the design may be inferior, the finish of the design in terms of colour, shape and configuration may be different.
- Considering the above cases, if you analyse there are serious losses to designer on account of imitation. They are as follows:
 - *Market:* The duplicators and imitators will be quick to capture the market of existing products. The reputation the product has gained because of its originality and appeal will help the imitators to capitalise and take business advantage.
 - *Price/Profitability:* The prices of the Original and imitated design may not be the same. Most often the imitated designs are cheaper. It would have costed less for the designer to develop the product. This will help him to sell the products at a lower price. This is a disadvantage to the designer especially if he is selling the products at a premium price. The imitation of the products will force the original designer to sell products at lesser price. This will affect his price and most important the business bottom lines i.e. profitability.

- *Good will:* The original design will have a good will in the market. Not only by the aesthetic features but also by the comfort, style and the overall appeal of the product. Good will is gained over a long period of time with continuous marketing efforts and most importantly the loyalty of the customer who attach importance to the products. Its appearance and most often after sales services. Good will of established designs will be one important criterion for the duplicators to take the business advantage and penetrate the market segment which would have never been possible.
- *Dilution of the Brand:* One of the serious concerns for the right holder is the fact that prolonged sales of duplicate products in the market can be of serious concern to existing brand value of the product. When the consumer is able to get a similar looking product at a lesser price, he will be forced to buy this product. In cases where the product quality is inferior, there is a chance the market value of the existing product may be seriously affected.

It is known fact that some of the biggest brands in the market are facing this challenge, the need to uphold the brand value against the duplicate products in the market.
- *Unfair competition in the market:* In the macroeconomic perspective, the practice of duplication and imitation of original design will perpuate imitators in the market and encourage un ethical practices in the market. This will promote unfair competition in the market. This is close conformity with the mandate of Article 41 of TRIPS¹¹.

4.12 TERMINAL QUESTIONS

- 1) State what is meant by Infringement of design rights? What is the impact on the design right holder?
- 2) What are some of criteria adopted to ascertain the similarity of the design? Give examples.
- 3) What are the remedies available in the Design Act, 2000 for infringement of designs? Illustrate with examples.
- 4) What are Piracy of Industrial designs? What are its consequences?

4.13 ANSWERS AND HINTS

Self Assessment Questions

- 1) Read Section 4.5.
- 2) The Courts determine the Infringement of design.
- 3) List out the arguments in Section 4.6.
- 4) The plaintiff has also requested the direction of the court to the defendants.

¹¹ Article 41 states that “members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse...”.

to pay the **sum of Rs. 50,000/- for the damage** caused to the plaintiff on account of infringement of the plaintiff's registered design. Also Order the defendants to render true and correct account of the goods manufactured and sold by the defendant after notice and after verifying the same, to pass a decree of such **amount of profit** earned by the defendants. (Read Troika case).

- 5) Make your own judgment.

Terminal Questions

- 1) Read Section 4.3 and 4.5
- 2) Read Section 4.6 and also the Introduction.
- 3) Read Troika' case and its demands from the Court.
- 4) Read section 4.8

4.14 REFERENCES AND SUGGESTED READINGS

- 1) Intellectual Property Laws - Universal' legal Manual, 2011 – Universal Law Publishing Co, New Delhi, India.
- 2) Understanding Designs Act by Srikanth Venkataraman – Universal Law Publishing Co. Ltd.
- 3) Bare act, rules and notification on Industrial designs at the official website of Controller of Patents, Designs and Trademark, Govt. of India. (www.ipindia.nic.in)

Notes

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