

WHOSE ORIGINAL DESIGN IS IT ANYWAY?

1. INTRODUCTION

What makes something *new* or *original*? Have you ever thought about the originality of your sandals that you wear on your feet and the design rights that relate to it? When you glide your ball-point pen across paper, signing your name on a birthday card, have you ever thought about the new design of the pen? Does a tweak or a variation in existing designs necessarily lead to new rights capable of protection?

Many disputes about intellectual property boil down to *who* owns *what* and *where* it's registered. But what about the question of *originality* and whether a particular product *should* be granted intellectual property protection?

This article considers some of the nuances that arise in intellectual property disputes over innovation and recent Indian case law relating to the alleged infringement of existing designs and the thresholds necessary to grant valid protection in the first place.

Generally, there are several defences available to a person who is accused of infringing an intellectual property right. One of the more aggressive and interesting defences available to them is to claim that the intellectual property right, which he is accused of infringing, is itself not valid. In infringement actions relating to patent and industrial design rights, one way to establish such invalidity of the registered patent or design is by proving lack of newness or novelty in the subject matter.

Recently, the High Court of Delhi (the “**High Court**”), in two different judgments relating to design infringement, found the design holders’ rights to be invalid. In both the cases, the High Court, while analysing registered design rights, re-emphasized the importance of *originality* and *creativity* for a design right to be conferred protection under the Designs Act, 2000 (the “**Act**”).

2. RELEVANT STATUTORY PROVISIONS

Before discussing these judgments, it is important to look at the relevant statutory provisions under the Act, on the basis of which, such a defence can be argued. Section 4¹ of the Act prohibits registration of certain designs, including, designs that are not ‘new or original’ or ‘not sufficiently distinguishable from already known designs (or combination thereof)’, or those which are disclosed to the public in any manner. The expression ‘new or original’ in the context of a design means that the design has not been

¹ Section 4: Prohibition of registration of certain designs. – 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.

published anywhere in the world or made known to the public and it also means that the design has been invented for the first time.²

Under Section 19(1)³ of the Act, a ground for cancellation of the copyright in a registered design is that the registered design is not 'new or original'. Under Section 22(3) of the Act, the grounds of cancellation could be used by defendants for providing defence in suits of design infringement.⁴

3. RECENT CASES ON DESIGN INFRINGEMENT

The judgments of the High Court have been discussed below.

3.1 *Pental Kabushiki Kaisha v. Arora Stationers and Others*⁵

Earlier this year, the High Court vacated an interim injunction passed in a suit for a permanent injunction filed by Pentel Kabushiki Kaisha ("**Pentel**"), against Arora Stationers & Others (collectively referred to as "**Arora Stationers**") for piracy of their registered design of ball point pens. The High Court found that the registered design of Pentel was not new or original enough to be granted protection under the Act, and a suit for piracy of such design was not maintainable.

(a) **Brief Facts**

Pentel and Arora Stationers were engaged in the business of manufacturing pens and writing materials. Pentel sought a permanent injunction restraining Arora Stationers from manufacturing, selling, advertising or trading in pens with a design that was a duplication of Pentel's registered design, and also sought interim reliefs during the pendency of the suit.

Pentel alleged that Arora Stationers had copied and used features and different parts of their registered designs. These features or designs related to pen caps with clips. Arora Stationers contended that they were in the business of manufacturing ball point pens since 1976 and had also registered various designs. Arora Stationers further denied copying any features or designs of Pentel's and claimed that they derived the features for their pens not from the registered design belonging to Pentel, but rather from the features which were already adopted and used by Arora Stationers in their ball point pens since 2005. Arora Stationers also contended that the design of the ball point pens of Pentel was not new or original.

² *Bharat Glass Tube Ltd. v. Gopal Glass Works Ltd.* [2008 (10) SCC 657]

³ Section 19: Cancellation of registration. - (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) it is not a design as defined under clause (d) of section 2.

⁴ Under Section 22(3) of the Act, in any suit or any other proceeding for relief under subsection (2), every ground on which the registration of copyright in a design may be cancelled under section 19 shall be available as a ground of defence.

⁵ *Pental Kabushiki Kaisha v. Arora Stationers and Others* [247 (2018) DLT 9]

(b) Issues

The High Court had to examine if Pentel, who had obtained registration for their design of ball point pens and its parts, were entitled to reliefs on the ground that Arora Stationers were infringing their registered design. To decide this, the High Court examined if the design of the ball point pen that was registered by Pentel was actually a new or original design.

(c) Discussion and Findings

The High Court opined that Pentel's pen designs and the features thereof did not satisfy the requirements of novelty and originality. It was discussed that a ball point pen is a ball point pen with certain basic features; and mere novelty of outline or few changes would not result in creation of a new article which would entitle that article to protection as a design under the Act.

Reliance was placed heavily on *B. Chawla & Sons v. Bright Auto Industries*⁶, wherein the High Court had held that *unless a design is significantly distinguishable from the known designs or combination of designs, such a design is not entitled to registration and hence monopoly of user for 15 years under the Design Act, 2000 cannot be granted*. Reliance was also placed on *Bharat Glass Tube Ltd. v. Gopal Glass Works Ltd.*⁷, wherein the Supreme Court had affirmed what was held in *B. Chawla & Sons*.

It was also observed by the Supreme Court in *Bharat Glass Tube Ltd.* that *the object behind enactment of the Act is to give benefit to a person for the research and labour put by him to evolve the new and original design which is an intellectual property right*. In sum and substance, *B. Chawla & Sons* and *Bharat Glass Tube Ltd.* laid down the foundation for adopting a midway between 'sweat of the brow'⁸ and 'modicum of creativity'⁹ doctrines for any industrial design to be considered 'new or original' and granted copyright under the Act.

In relation to the 'wedges' in the pen's grip portion of Pentel's design that was claimed to be its novel aspect, the High Court commented that it was, in fact, a functional feature created for a better grip and not protectable under the Act.¹⁰

Hence, it was held that Pentel's ball point pen design was neither novel nor original. It was also held to be not significantly distinguishable from other known designs. Based on this, the High

⁶ *B. Chawla & Sons v. Bright Auto Industries* [AIR 1981 Delhi 1995]

⁷ Supra note 2

⁸ According to 'sweat of the brow' doctrine, a creator gains rights on account of efforts and expense put in by him in the creation of such a work; substantial creativity is not required.

⁹ The doctrine of 'modicum of creativity' for determining originality in a copyright work was first discussed by the US Supreme Court in 1991 in *Feist Publications v. Rural Telephone Service* (499 U.S. 340) and adopted by the Supreme Court of India initially in *Eastern Book Company and Ors. v. D.B. Modak and Anr.* (2008) 1 SCC 1. The Courts have been applying the test of this doctrine for determining originality in copyrightable works.

¹⁰ Section 2(d) in the Act provides that a "design" means only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article ..., which in the finished article appeal to and are judged solely by the eye...

Court dismissed the suit filed by Pentel and vacated the interim injunction that was passed earlier in the matter.

3.2 *Crocs Inc. USA v. Liberty Shoes Limited and Others*¹¹

Adopting the same approach, the High Court in the case of *Crocs Inc. USA v. Liberty Shoes Limited and Others*, dismissed the injunction applications filed by Crocs Inc. USA (“**Crocs**”) in its design infringement suits against various Indian shoe traders, including Liberty Shoes, Relaxo Footwear, Action Shoes, Bioworld Merchandising India, Aqualite India and Bata India (“**Liberty and Others**”).

Crocs, a famous US-based footwear brand, sought restraint against Liberty and Others from manufacturing, marketing, supplying and selling footwear that was a replica of their registered design for clog-type slippers and shoes. The different suits filed by Crocs against Liberty and Others in various courts in Delhi were taken up together by the High Court and a common judgment was passed.

(a) **Brief Facts**

Crocs had registered the said design from 2004 and the registration was valid up to May, 2019. In order to substantiate their claims, designs of the footwear that were manufactured and sold by Liberty and Others were also reproduced. A side-by-side comparison of Crocs’s footwear designs with the designs of footwears sold by Liberty and Others was done during the evidence stages of the trials.

Crocs alleged that the footwear companies were guilty of piracy of Crocs’s registered design. Upon the inspection of Liberty and Others’ footwear, it was observed that the footwear being manufactured by them were more or less the same or similar with variations in colour or the placement of the holes in the footwear or certain other aspects for creating visual appeal.

Liberty and Others denied all infringement allegations by Crocs. They argued that under Section 22(3) of the Act, there cannot be piracy of a registered design if the registration granted to Crocs with respect to the concerned footwear is itself an invalid registration.

It was also argued on behalf of Liberty and Others that in case Crocs’s registered design was not a new or an original design at the time of its registration, or if the design with respect to which Crocs claims exclusive entitlement was in the public domain, then it makes no difference that Crocs has registered the design, as such a registration would not be valid.

(b) **Issues**

Upon review of the arguments presented by all the parties, the High Court fixed the following issues for determination:

- (i) Whether the designs registered by Crocs with respect to the footwear were new or original designs?

¹¹ CS (COMM) No. 772/2016 and connected cases (the High Court of Delhi)

- (ii) Whether the designs of the registered footwear were in the public domain prior to registration?

(c) **Discussion and Findings**

In deciding the second issue, the High Court analyzed the webpages downloaded from the website of 'Holey Soles' (who manufactured 'soles or shoes with holes'). The webpages contained footwear designs similar to the registered design of Crocs's footwear. Liberty and Others alleged that the said publication existed on Holey Soles' website as on December 2002, much earlier than Crocs's design registration that was effective from 2004.

The High Court rejected Crocs's claim that the date of the publication on Holey Soles website was unclear and was of the view that Crocs cannot claim exclusivity for its registered design merely on the ground that the design had a strap at the back of its footwear.

The High Court also looked at the extracts of Crocs's own website showing publication of the registered design in question prior to its registration, as produced by Liberty and Others. The design was hence found to be in the public domain. The High Court added that on this ground alone, Crocs's registration was liable to be cancelled.

Nevertheless, the High Court still looked into the first issue and whether the design was new or original. The High Court asserted that *newness* or *originality* was an indispensable requirement under the Act. It was further iterated that even if such a design was registered, Section 19(1)(d) provided that the copyright in such registered design can be cancelled, if it is established that the registered design is not new or original or was already published before its registration.

The High Court discussed numerous Indian and English judgments on the aspect of *newness*, *novelty* and *originality*.

It observed that, "*for a design to have entitlement of grant and continuation of registration under the Act, it is required that the design is such that it is an Intellectual Property Right. The Intellectual Property Right comes into existence, if there is spent sufficient labour, effort, time, etc. whereby it can be said that consequently a new creation has come into existence i.e. in essence there is required existence of innovation which is an Intellectual Property Right. It is because an Intellectual Property Right comes into existence that there is hence an entitlement to protection thereof and so that the creator of the design is granted monopoly with respect to use of the new/original design*".

It also observed that, "*the introduction of ordinary trade variants into an old design cannot make it new or original*".

Reliance was placed on the above ruling in *Pentel Kabushiki Kaisha*¹² as well, and the High Court reiterated that, "*mere variations to existing products which do not result in requisite amount of newness*

¹² Supra note 5

or originality cannot be considered as innovations having newness and originality for being granted monopoly for fifteen years”.

The High Court also held that “*footwear is a footwear, shoe is a shoe, sandal is a sandal...*” and the change in it was not sufficient to distinguish the new product from the existing one and could not hence be considered novel or original.

The High Court even considered the argument that once a copyright was granted in relation to a design under the Act, the court was to presume existence of newness and originality in the design and that the *onus* in such circumstances rests with the alleged infringers to show that there is no newness or originality in the design. However, in the instant case, the High Court found that Liberty and Others had proved prior publication of the Crocs’s design, consequently leading to the lack of newness or originality therein. Therefore, Crocs could not seek the benefit of its registered design in its suit of injunction against Liberty and Others.

The High Court laid down that Crocs’s registered design was invalid and liable to be cancelled under Section 19 of the Act. The High Court dismissed interim injunctions filed by Crocs and imposed costs on them towards the legal fees incurred by Liberty and Others. Additionally, Crocs was directed to pay INR 2,00,000 (Indian Rupees two lakhs) (approximately USD 2,850) per defendant (which was subject to the final decision on costs at the time of disposal of the suits) towards losses of profits, allegedly running into crores of rupees incurred by Liberty and Others on account of the interim injunctions obtained by Crocs and continued against them.

4. CONCLUSION

The above judgments demonstrate the importance of proving the thresholds necessary to grant statutory protection for industrial design and other intellectual property rights. The judgments reaffirm the importance of *originality* or *newness* in respect of registered designs. The Act has provided for certain basic requirements of *newness* and *originality* for any design to be considered worth protecting statutorily, and the courts have clearly set out the considerations as to how *newness* and *originality* in a design right should be determined.

The imposition of costs in the Crocs’s judgment raises interesting questions on the *quantum* of potential *damages* awarded by the High Court in the context of wrongly restraining the business of Liberty and Others. Commercial courts regularly pass orders awarding costs towards litigation in various matters and Section 35 of the Code of Civil Procedure, 1908, provides for certain conditions on the basis of which the courts can award costs of this kind to parties.¹³

¹³ Section 35(3) of the Code of Civil Procedure, amended, and as applicable to commercial courts, reads as: In making an order for the payment of costs, the Court shall have regard to the following circumstances, including –

- (a) the *conduct* of the parties;
- (b) whether a party has succeeded on part of its case, even if that party has not been wholly successful;
- (c) whether the party had made a frivolous counterclaim leading to delay in the disposal of the case;
- (d) whether any reasonable offer to settle is made by a party and unreasonably refused by the other party; and
- (e) whether the party had made a frivolous claim and instituted a vexatious proceeding wasting the time of the Court.

What was notable in this matter was how the High Court determined Crocs's conduct objectionable. Crocs kept pressing for the litigation against Liberty and Others and continued to seek injunctions against them, when its design right was found to be faulty due to lack of originality and novelty. The High Court penalized Crocs for its approach, highlighted by the costs imposed on Crocs.

By imposing costs in the nature of fine on Crocs, the High Court has sent a message to corporates that they need to be careful about their conduct when enforcing their purported intellectual property rights in particular, where the basic conditions of *newness* and *originality* are challenging to demonstrate.

These judgments underline how important it is for design right owners, and, for that matter, any intellectual property right holder, to prudently have their own rights analysed prior to seeking registration under intellectual property statutes and before initiating any litigation seeking to restraint others from infringing rights which they may not validly have in the first place.

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