

(2004) 10 CAL CK 0027
In the Calcutta High Court
Case No : F.M.A.T. No. 3098 of 2004

Bucyrus Europe Limited and Another	APPELLANT
Vs	
Vulcan Industries Engineering Company Private Limited	RESPONDENT

Date of Decision : 14-10-2004

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 3, 94
Copyright Act, 1957 — Section 15, 15(2)

Citation : (2005) 1 CHN 106 : (2005) 30 PTC 279

Hon'ble Judges : Tapan Kumar Dutt, J;Asok Kumar Ganguly, J

Bench : Division Bench

Advocate : Pratap Chatterjee, S. Mukherjee and Ranjan Bachawat, for the Appellant;Sudipto Sarkar, R.K. Khanna and Rita Khanna, for the Respondent

Final Decision : Dismissed

Judgement

Asok Kumar Ganguly, J.—With the consent of the parties we treat this appeal and the application as on day's list and dispose of both of them by the following judgment and order.

2. The appeal has been filed by Bucyrus Europe Limited, a company having its office at Becor House, Green Lane, Lincoln LN-6 7DL, United Kingdom and Bucyrus India Pvt. Ltd. (hereinafter referred to as the appellant) purportedly against order Nos. 1, 2 & 3 dated 11th August, 2004 of the learned Trial Judge. It is common ground that so far as order No. 1 is concerned there has been some misconception on the part of the learned Trial Judge. The appeal has substantially been filed against order No. 2 of the same date by which the learned Judge refused to grant any ex parte ad interim order of injunction and was pleased to direct notice to be issued on the defendant namely, Vulcan Industries Engineering Pvt. Ltd. having its office at the district of Anand in the State of Gujarat (hereinafter called the defendant). The learned Judge also refused to pass any order for appointment of receiver and also in connection with the said prayer also directed notice to be issued on the defendant.

3. Along with the appeal, a petition for injunction was filed for granting an ex parte ad interim order of injunction.

4. The High Court on being so moved, on 17th September, 2004 issued an ex parte ad interim order of injunction restraining the defendant from manufacturing, selling, stocking for sale, offering for sale, marketing, advertising and distributing in any other manner or dealing with the impugned product of the defendant having been produced from any of the drawings being Annexure "A" or any design substantially similar thereto by using the engineering, design, shape and configuration and get-up of the product of the appellant. The Court also passed an ad interim order of the injunction appointing a Special Officer authorising him to enter the premises of the defendant as mentioned in the cause title and any other premises within the power and control of the defendant and to inspect the same and seize all goods, papers, documents, challans and invoices showing placement orders of the products including the design relating to marketing and selling of the same. The aforesaid ex parte order of injunction was given for a limited period of 14 days and this Court appointed a learned Counsel as Special Officer. The Court, however, directed the appellant to serve the defendant by courier service and also under registered post. The matter was made returnable on 24th September, 2004.

5. Thereafter the matter was again mentioned ex parte by the learned Counsel for the appellants and as the Special Officer was unwell another Special Officer was appointed directing him to carry out the said order and the returnable date was extended to 6th October, 2004 and it was directed that the interim order should continue in the meantime and the copy of the said order was directed to be served on the defendant by the Special Officer who will go to spot to carry out the order dated 17th September, 2004. Thereafter on 6th October the Special Officer filed his report and a full contested hearing took place both on 6th October and 8th October, 2004 on the question of grant and continuance of ad interim order.

6. The learned Counsel appearing in support of the defendant seriously opposed the continuation of the ad interim order on various grounds. First of all, the learned Counsel submitted that in the injunction petition which was filed in the Court below, the appellant has clearly admitted that they are engaged in the manufacturing and marketing of various equipments like W2000(24/96) draglines and the appellant No. 2 have been carrying on the business of marketing the said equipments in India for the last 10 years. In paragraph 5, it has been admitted that the appellant No. 1 some time in January, 1997 made technical and engineering drawings relating to its products and licence was granted to the appellant No. 2 to use the said drawing and modification thereto exclusively in India. It was also stated that on 4th March, 1997, the appellant No. 1 applied for and obtained the registration of the design under Designs Act, 1911. It was also stated that the equipments of the appellants were launched in or about May, 1997.

7. The learned Counsel has drawn the specific attention of this Court to the following averments in paragraph 20 of the injunction petition filed by the appellant in the Court below. Those averments are set out below :

"The respondent after getting the said notices dated 28th February, 2004 and 19th May, 2004 has now sought to file a cancellation application dated 1st June, 2004 before the learned Controller of designs challenging the registered designs of the petitioner apprehending that legal proceedings shall be initiated by the petitioner for their such act of infringement of copyright of the engineering drawings of the petitioner".

8. The learned Counsel submitted that the aforesaid averments which have been made in the ex parte application for interim order, do not disclose the state of affairs fully. On the other hand those averments amount to suppression of a very relevant and vital part of the case from this Court.

9. The defendant submits that it has filed three applications for cancellation of the registration of designs of the appellant in design Nos. 173283, 173284 and 173285 in the month of June, 2004. On such application being filed before the Assistant Controller of Patent and Design, the appellants prayed for time to file its counter-statement. Three counter-statements all dated 27th July were filed by the appellant before the Controller of Patent and Design, Calcutta by their attorney Mr. Chandra Kanta M. Joshi. But these facts have been totally suppressed in the application for ex parte order of injunction filed by the appellant before the Court below. The learned Counsel submitted that in the statement of case the defendant used certain documents. Those documents have been used by the appellants in the injunction petition which they filed in the Trial Court. Referring to such documents, the learned Counsel submits that this is a case of deliberate suppression inasmuch as the documents used in a proceeding is disclosed by the appellants without fully stating that cancellation proceedings were filed before the appropriate statutory authority and that the appellant is contesting such proceeding by filing its counter-statement and also by taking time to produce evidence.

10. The learned Counsel also submitted that suppression of the cancellation proceeding amounts to suppression of highly relevant facts in view of the provisions of the Designs Act, 2000 (hereinafter referred to as DA). Section 19 of DA provides for filing of application for cancellation of registered design and also indicates the grounds on which such cancellation can be sought, Section 22 of DA provides for legal proceeding in case of piracy of registered design and Section 22(3) of DA makes it clear that in any suit or in any other proceeding for relief under sub-section (2) the ground on which the registration of a design may be cancelled u/s 19 shall be available as a ground of defence.

11. The learned Counsel submitted that in an ex parte application for an interim order of injunction, filed by the appellants, as in this case, they must disclose the grounds on which the defendants are seeking cancellation of registration

inasmuch as u/s 22, sub-section (3), of DA, the defendant is entitled to raise those grounds as its defence. Therefore, the Court must consider the appellants' case for ad interim injunction along with the defendant's grounds for cancellation of registration. The learned Counsel submitted that in the Court below the only averments which were made about the cancellation proceeding are in paragraph 20 which have been quoted above and so far as the High Court is concerned, there is no whisper of those cancellation proceeding in the stay petition filed before this Court.

12. The learned Counsel for the appellant while answering the aforesaid submissions, tried to defend the ex parte ad interim order by saying that there has been no suppression in the instant case. The learned Counsel submitted that in the injunction petition filed in the Court below, the cancellation proceeding has been referred to. According to the learned Counsel, further reference was not necessary. The learned Counsel also submitted that it may be a case of lack of forensic expression but there is no suppression of any material fact. The learned Counsel also submitted that designs of walking draglines which are used in mines are made by the appellants out of 60 drawings. Only 3 out of those 60 drawings have been registered. In respect of 57 other drawings the appellants have a copyright and a copyright is not required to be registered. The defendants, utilising those drawings, are fabricating parts of machines and spare parts and thus causing an infringement of the appellant's copyright. So this proceeding has been initiated by the appellants praying for protection against such infringement of the copyright. So, looking at the matter from that point of view, cancellation proceeding of registered designs is not a relevant fact which is required to be stated in full details.

13. The learned Counsel referred to the provisions of Section 2(d) of DA to point out that design as defined therein does not include any artistic work as understood in clause (c) of Section 2 of the Copyright Act, 1957 (hereinafter referred to as CA). Learned Counsel also referred to Section 14C of CA and urged that u/s 14C of the CA the appellants have an exclusive right to use the drawings in connection with its design and this is their property and nobody has any right to infringe this property right but the same has been done in this case. In order to prevent such infringement, a prayer has been made for injunction and in such a case the Court must immediately grant an interim order to protect the right. In support of this contention the learned Counsel relied on a Supreme Court judgment in the case of Laxmi Kant V, Patel v. Chetanbhat Shah and Anr., reported in 20.02(24) PTC. 1. The learned Counsel also relied on a decision in the case of John Richard Brady and Others Vs. Chemical Process Equipments P. Ltd. and Another, in order to contend that copyright also exists in respect of engineering drawings.

14. Learned Counsel also submitted that from the report of the Special Officer, which has been submitted and circulated, it is clear that the defendants neither co-operated with the Special Officer nor had disclosed all facts and materials to

the Special Officer. It has also been stated that the Special Officer has not been allowed to take inspection of all the materials. Therefore, the ex parte ad interim order passed by this Court on the lines of Anton Piller order has not been carried out.

15. In support of this contention the learned Counsel relied on two decisions. One was a judgment rendered in the case of *British North Rop Ltd. and Ors. v. Blackburn Ltd. and Anr.*, reported in 1974 RPC 57. The other decision was rendered in the case of *Anton Piller K. G. v. Manufacturing Process Ltd. and Ors.*, reported in 1976 RPC 719.

16. Reliance was placed on pages 725-726 of the report in *Anton Piller KG*, wherein the learned Judges were explaining the requirement of passing an Anton Piller order enabling an inspection of the offending materials by an officer appointed by the Court and the learned Judges made it clear that such an order can only be passed in order to see that justice is done between the parties so that vital evidence is not destroyed. At page 726 of the report, the learned Judges explained that the form of the order should make it clear that the Court was not granting anything which might be equivalent to a search warrant, but it was an order on the defendant, permitting inspection. The Court made clear that it is open to the defendant to refuse to comply, but this he can do at his peril of further proceeding for contempt. At the same time, the Court made it clear that great responsibility rests on the solicitor of the applicant to ensure that the carrying out of such an order is meticulously done with full responsibility for the defendant's right.

17. However, this Court finds that in the instant case from the report of the Special Officer it is clear that the defendant after taking legal advice allowed inspection to some extent and the Special Officer has not complained of any non-co-operation on the part of the defendant. On the other hand, the Special Officer said that the parties co-operated with him.

18. On a proper appreciation of the ratio in *Anton Filler*, this Court finds that such an order can be passed in the following situations :

- (i) where the plaintiff has an extremely strong prima facie case,
- (ii) where the actual or potential damage to the plaintiff is very serious, and
- (iii) where it was clear that the defendant possessed vital evidence,
- (iv) there was a real possibility that the defendant might destroy or dispose of such material so as to defeat the ends of justice,
- (v) the purpose of Anton Filler order is the preservation of evidence.

19. Before passing an Anton Filler order, some safeguards are also to be observed like asking the plaintiff to give an undertaking in damages in case the plaintiff is wrong and the defendant suffers damages as a result of the execution of the order. However, before the Court will grant an Anton Filler order, the

plaintiff must be able to convince the Court that he has a strong case and that the order is indeed essential to the ends of justice.

20. In a later decision, in *Systematica Ltd. v. London Computer Centre Ltd.*, and *IDNANI*, reported in 1983 Fleet Street Reports 313, Justice Whitford warned against "rather too free a use" of being made of Anton Piller orders by the plaintiff.

21. So far as the other decision in *North Rop* is concerned, reliance was placed on page 71 of the report in which the learned Judge dealt with the question of copyright in the drawings. It cannot be disputed that under Indian Law there can be a copyright in the drawings but if those drawings are used as designs then the position is slightly different.

22. Judging the rival contentions, this Court is of the opinion that in the facts of this case there has been a clear suppression of a very material fact by the appellants while obtaining an ex parte ad interim injunction on the lines of Anton Piller order. Attempt has been made by the learned Counsel for the appellants to bifurcate the case of infringement of design from the infringement of copyright before this Court but from the case which is made out in its petition in the Court below and also in the petition before this Court, it is clear that they were running a combined case of infringement of both. In paragraph 14 of the injunction petition filed before the Court below it has made detailed reference to its registration and designs under Designs Act, 1911 and it has been stated that the appellants have copyright in the aforesaid designs and which is valid up to 4th March, 2012 and in paragraph 21 of the petition it has also been clearly stated that the defendant has infringed and continues to infringe the registered designs of the appellants. Therefore, it cannot be contended that by filing the instant proceeding, the appellants were only seeking to protect its copyright. From the prayers which were made before the Trial Court and before this Court, it is clear that the appellants were seeking protection also in respect of their registered designs. Therefore now, the appellants cannot jettison its case on registered designs and urge that it is only for protection of its copyright for which they have come to this Court.

23. Apart from the fact that the cancellation proceedings have been perfunctorily pleaded in the injunction petition in the Court below and totally suppressed before this Court, in the petition, filed before this Court, there is a misleading statement in paragraph 10. The said paragraph is set out below :

"The learned Trial Judge also erred in law and in fact by not taking into consideration the judgment passed by this Hon"ble Court on March 5, 2003 wherein on the self-same cause of action an ex parte, order of injunction was granted against the respondents and also a Special Officer was appointed to inspect all the documents and the engineering drawings of the respondents and thereby acted beyond his jurisdiction as the said judgment of 5th March, 2003 was binding upon the learned Trial Judge".

24. It was pointed out to us by the learned Counsel for the defendants that no injunction order was ever granted by this Hon"ble Court on 5th March, 2003 against them and no Special Officer was appointed. When this was pointed out to the learned Counsellor the appellants, the learned Counsel admitted that this was a mistake in the drafting of the pleadings before this Court. It may be pointed out that in the memo of appeal also a similar ground was taken (Ground VIII). So the mistake, apparently, is, very widespread.

25. Therefore the pleading before this Court, when this injunction petition was filed ex parte and on the basis of which the Court granted injunction, suffers not only from suppression of material facts but also suffers on the ground that it contains misleading averments.

26. Therefore, any ex parte interim order which was obtained from this Court ought to be dissolved on this ground alone. Reference in this connection be made to a judgment of the Division Bench of this Court to which one of us was party in the of Bengal Club Limited v. Susanta Kumar Chowdhury, reported in 2002(3) CHN 322. At paragraph 38 of the judgment, the following observations have been made by this Court:

"The question of pleading is of great importance in the context of an ex parte application for injunction. At that stage proceedings before the Court rest on the basis of total good faith on the pleadings. At that stage there is no contested hearing, therefore, the party making the prayer for ex parte ad interim order of injunction must plead the entire facts of the case. Such pleading must be clear, complete and candid".

27. Going by the aforesaid well-settled principles this Court holds that there was lack of bona fide and good faith in the pleadings on the basis of which an ex parte order of injunction on the line of Anton Piller was obtained from this Court. From the discussion made in the earlier part of this judgment it is clear that utmost good faith of the plaintiff is the condition precedent for granting an injunction on the lines of Anton Piller . Admittedly good faith on the part of the plaintiff is lacking. The Court at an ex parte stage accepted the pleading to be true and correct and passed the order. But if there had been a full disclosure of facts, the Court might not have passed the order. That the pendency of cancellation is a relevant fact and cannot possibly be disputed.

28. Reference in this connection be made in the Full Bench judgment of the Delhi High Court in the case of Metro Plastic Industries (Regd.) v. Glaxy Footwear, New Delhi, reported in 2000 PTC 1 (see para 34).

29. In so far as the infringement of copyright by the appellants is concerned, this Court can not overlook the provisions of Section 15 of the Copyright Act. The said section is set out below :

"15. Special provision regarding copyright in designs registered or capable of being registered under the Designs Act, 1911.-(1) Copyright shall not subsist

under this Act in any design which is registered under the Designs Act, 1911 (2 of 1911).

(2) Copyright in any design, which is capable of being registered under the Designs Act, 1911 (2 of 1911), but which had 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".

30. u/s 15(2) it is made very clear that copyright in any design, which is capable of being registered under the Designs Act, but had not been so registered, shall cease as soon as any article to which the designs have been applied have been reproduced more than 50 times by an industrial process by the owner of the copyright or with its licence by any other person.

31. From its own pleading in the injunction application it has been stated that the appellant No. 2 carries on the business of marketing of the equipment produced by the appellant No. 1 for the last 10 years in India, (para 3)

32. Therefore, in the context of this clear admission by the appellant it becomes a disputed question of fact whether its copyright in designs has ceased as a result of its reproduction for more than 50 times by an industrial process by the owner of the copyright or with its licence by any other person. This is such a disputed question of fact that on this an ex parte ad interim order of injunction can not be granted without giving the defendants any chance to refute the plaintiffs claim. In fact no such claim, prima facie, appears to have been made.

33. Therefore, judging the matter from all possible angles this Court cannot sustain the ad interim order of injunction mainly on the ground of suppression as also on prima facie findings on other grounds pointed out above.

34. Therefore, the appeal is dismissed. Since the ex parte ad interim order of injunction was obtained from this Court by the appellants by suppression of facts, as stated above, as also by misleading facts, stated above, this Court is of the opinion that the appellants have not displayed good faith which is required of them while seeking an ex parte order of injunction. As such, this appeal is dismissed with costs assessed at 2000 G. Ms. Such costs are to be paid by the appellants in favour of Calcutta High Court Legal Services Authority within a period of two weeks from today.

35. This Court makes it clear that the injunction petition which is pending before the Court below, may be heard out by the learned Trial Judge as early as possible and the defendants may file its objection to the same within a period of one week after the re-opening of the Court. Reply to the same be filed one week thereafter. All attempts should be made by the learned Trial Judge to dispose of the injunction petition within 31st December, 2004.

36. The appeal is dismissed with costs as indicated above.

37. Let urgent xerox certified copy of the judgment if applied for be given to the learned Counsel for the parties expeditiously.

Tapan Kumar Dutt, J.

38. I agree.