

(1984) 04 DEL CK 0028
In the Delhi High Court
Case No : First Appeal No. 4 of 1984

Niki Tasha India Pvt. Ltd.

APPELLANT

Vs

Faridabad Gas Gadgets Pvt. Ltd.

RESPONDENT

Date of Decision : 03-04-1984

Acts Referred:

Citation : AIR 1985 Delhi 136 : (1984) 26 DLT 355

Hon'ble Judges : Gian Chand Jain, J;A.B. Rohtagi, J

Bench : Division Bench

Advocate : Rajeev Sawhney, Sanjeev Seth, Anoop Singh, H.P. Singh, Manoj Verma and Anu Peshwaria, for the Appellant;

Judgement

Avadh Behari Rohatgi, J.

(1) The cooking gas or L.P.G., as it is called, has brought about a revolution in the home. Most housewives find it convenient to use the gas stove. They are so much in fashion these days. Now complete cooking range is on sale. This case raises the question of copy wright in the registered design of a cooking range which is sold under the brand name of "KITCHENETTE".

(2) These are the facts. The plaintiffs (the present appellants). M/s. Niky Tasha India Private Limited brought a suit for permanent injunction against the defendants (the present respondents). M/s. Faridabad Gas Gadgets Private Limited complaining of infringement of their registered design No. 152986 dated 11-4-1983 pertaining to the product known as a Kitchenette which is a combination of gas burner, grill and oven. The plaintiffs got registration with regard to shape and configuration in this product of theirs. It is alleged that the defendants under the name of Navjyoti are manufacturing, selling and advertising Lpg gas cooking range similar in design to the registered design of the plaintiffs.

(3) The plaintiffs made an application for temporary injunction in the suit under Order 39 Rules 1 and 2 CPC restraining the defendants from selling,

manufacturing and advertising their product NAVJYOTI. The learned Judge refused the injunction on the ground that the defendants' product is provided with a lid which makes it totally distinguishable from the product of the plaintiffs. He also noticed one other difference in the two products. The burner element of the plaintiffs' product is of the shape, of a ring while the burner element in the defendants' product does not have any hole and is round in shape at the top. So the learned Judge by order dated 19-12-83 dismissed the application. From his order, the plaintiffs appeal to this Court.

(4) We have seen the two products carefully. Counsel for the plaintiffs says that the test is the "eye appeal". The article must appeal to the eye, in the sense of catching or attracting the eye particularly the eye of a potential buyer. He says that the defendants' Navjyoti is a "fraudulent or obvious imitation" of KITCHENETTE.

(5) The defendants, on the other hand, have raised a large number of defenses to the plaintiffs, suit. In the first place, it is said that the plaintiffs' design is a very recent one. The application for registration of the design was filed by the plaintiffs on 11th April, 1983. The date of issue of the certificate is 19th October, 1983. Immediately, on 17th November, 1983, the plaintiffs brought the suit against the defendants. In the second place, it is said that there is nothing "new and original" in the plaintiffs' design because such a design was already known to the trade. Thirdly, it is said that the defendants had brought out a gas cooking range somewhat smaller in size as early as January, 1983 with 1st mark from which the plaintiffs took the idea and improved upon it in bringing out their KITCHENETTE. Fourthly, it is said that the registered design was re-published in India. In the issue of April 15, 1983 of a popular magazine known as India Today", the plaintiffs advertised at page 120 their product known as "Gas and Grill". It is said that Kitchenette is only a trade variant of the various models of Gas Stoves manufactured in Japan and India which were well known to the trade. The application for registration, as I have said, was made on April 11, 1983 and the issue of April 15, 1983 came on the stalls a few days before the said date and in any case, the advertisement was given long before the publication of the magazine. In the same magazine, we find that there are advertisements of the competitors e.g. Navjyoti at page 36, Sun flame at page 43 and Hotline at page 81. They are all Gas Stoves and Grills. Now there is Oven also in the new cooking range. On the basis of these advertisements, it is said that there was pre-publication of the design which the plaintiffs got registered only on 11-4-1983. It is claimed that there was sufficient publication to amount to an anticipation of the design. It is disputed that there is any novelty in the kernel of the designer's conception. Fifthly, it is said that the defendants have made an application on the Original Side of this Court for cancellation of the plaintiffs' design u/s 51-A of the Designs Act, 1911 ("the Act") on a variety of grounds and the said application is tending decision. Sixthly, it is said that in any event, the defendants are not guilty of piracy of the plaintiffs' design and in this respect they have pointed out, in a long list, as many as 34 differences between.

the plaintiffs" Kitchenette and their own NAVJYOTI. They deny that they exposed for sale anything made in imitation of the plaintiffs" product.

(6) The question is whether the plaintiffs have made out a prima facie case for the grant of a temporary injunction. Counsel for the plaintiffs has strongly relied on a decision of Prakash Narain, J. in Sat Paul Singh Vs. S. P. Engineering Works 1972 RLR 90(1) 1982 Ptc 193 and the judgment of H.L. Anand, J. in Tobu Enterprises Pvt. Ltd. Vs. M/s. Joginder Metal Works & Others (1983) 1 ITR 45 (2). He argued that so long as there is a registration certificate in plaintiffs" favor and so long as it is not cancelled, the plaintiffs have a statutory right to "copyright in the design" and by virtue of Section 53 of the Act a right to restrain every pirate of their registered design. He submitted that the Court will not inquire into the defenses of defendants in the suit. Those defenses, he says, will properly be gone into in the application for cancellation of the registered design u/s 51-A of the Act. This, he said, was the scheme and structure of the Act. For this he relied on the observation of Prakash Narain, J., in Sat Paul Singh that "the English precedents are not of much help in our country the Scheme of our Act is different from the Scheme of the English Statute. Apart from everything else in the Indian Act there is a provision. Section 53(2), which is not found in the English Act at all. Nor is there any provision, similar to it in the English Act of 1949. The relief of injunction is not one of the reliefs which have been statutorily recognised in England and the absence of such a provision, which is found in the Indian Statute, will "naturally condition the observation of learned Judges in English Courts".

(7) Relying on these observations H. L. Anand, J. in Tobu Enterprises said that "the defenses of invalidity of the registration of the design on any of the grounds which may justify cancellation of registration are not open to a defendant in a suit for infringement without resort to proceedings for cancellation of registration u/s 51-A of the Act". Though he did not express a final opinion on this question, he thought that "the plea of implied bar is at least prima fade well founded". Anand, J., in my respectful opinion, was labouring under a misconception, He thought that Sat Paul Singh was a division bench decision by which he was found. He showed it all the deference that is shown to a division bench in our system of precedents. But the fact is that Sat Paul Singh is a decision of a learned single judge and not of two judges as Anand J. has erroneously observed.

(8) With all respect to Prakash Narain, J., (as he then was), I cannot agree with him. So far as the question of injunction is concerned, the law in India and England is the same. In the English Registered Designs Act, 1949, there is a provision for grant of injunction u/s 26 and for cancellation of registration in Section 11 of the Act. In Section 26 of the English Act, there is an express provision for the relief of injunction which is obtainable by a plaintiff if he can show to the court that there is an infringement or a threat of infringement of his copyright in a registered design. Even the Patent & Designs Act, 1883, contained a similar provision in Section 33 with regard to patents. That section was

subsequently amended, and made applicable to designs. The law of injunction in England in cases of registered designs is discussed in the leading text book of Russel-Clarke at pages 120 123, 135 and 144, (See : Copyright in Industrial Designs by A.D. Russell-Clarke, 4th Edition). It will not Therefore be true to say that there is no provision in the English Act, 1949 as regards injunctions, as was the view of Prakash Narain, J. It is a misreading of the English Act to say that it has no provision analogous to Section 53 of the Indian Act. Section 7 of the Registered Designs Act, 1949 gives to the registered proprietor in England "the exclusive right" of copyright in the registered design. The wording is of course different in the two Acts. The reason is plain. The Indian Act is of 1911. The English Act is of. 1949. But the effect of registration is the same in the two countries. The right given by registration is the same.

(9) In England, as in India, it is open to a plaintiff at any time after the institution of the suit to move for an interlocutory injunction to prevent the defendant from infringing his design between then and the date of trial. In *Smith vs. Grigg Limited* (1924) 41 RPC 149(3), it was held that same principles apply to the case of a design as are applicable in the case of a patent. The plaintiff must show that he has a prima facie case, both that his design is valid and that it has been infringed by the defendant. The mere fact that the plaintiff is in possession of a patent or of a registered design is not of itself necessarily prima facie evidence of validity. On the contrary, where it appears that the design has only recently been registered, and where it appears that there is a substantial issue to be tried, an interlocutory injunction will not be granted. (Ruse II Clarke page 121).

(10) In *Smith vs. Grigg Limited* (1924) 41 Rpc 149. Secretion ,L.J., said :

"FROM the authorities which have been cited to us, and from my own personal inquiries from sources competent to give me information, there is in patent cases a well recognised rule of practice in the courts which deal with patent cases as to interlocutory injunctions, and it is this : That where the patent which you are seeking to enforce is a recent patent, an interlocutory injunction is not granted where there is a genuine case to be decided. Parker, J. put it very shortly in *Trautoer v. Patmore* (1912) 29 Rpc 60 : "I cannot grant an interim injunction. It is very unusual if the patent has not been established "It is put at greater length by the Court is the case of *Jackson vs. Needle*, which was decided just after the Patents, Designs and Trade Marks Act, 1883 where both Baggallay, L. J. and Cotton, L. J. State that, where it is a new patent, or a recent patent, the court is not in the habit of granting these injunctions until the title has been established. I take the principle that underlies that to be this, that the court leans against monopolies. Where you find a respectable and old established monopoly which has been in existence for years and not challenged, there is no reasons for the court to lean too hardly against it, but when you find a recent monopoly which there has not yet been time to challenge sought to be enforced, the Court is inclined to take the view as a general rule, unless there are special circumstances

to overcome it, that the title to the monopoly must be established before it interferes by interlocutory injunction. It is not a universal rule : there may easily be facts which will lead the court in a particular case to depart from it, but as a general rule that is the practice of the court". Atkin, LJ. at page 154 said :

"I think the reason for the principle which has been adopted in respect of a person claiming an interlocutory injunction restraining the infringement of a patent is that the plaintiff has always to establish at any rate a prima facie case of having a right which has been infringed by the defendant, and according to our patent law, which in this respect I think differs from that of some other countries. the mere fact of the granting of a patent is not in self an indication that the plaintiff has established to the satisfaction of any authority that he has the right to the monopoly which he claims. In the case of a patent, Therefore, the mere fact that a patent has been granted does not show that those conditions have been performed which alone entitle a plaintiff to a conclusive right, and Therefore the courts, when they are approached by a plaintiff who says : "I am the owner of a patent and the defendant has infringed if, say where the patent is of recent date : "Your right is not established sufficiently by the mere fact that a patent has been granted to you"; and unless there is some kind of substantial case evidenced before the court that there is in fact a valid patent, then the court refuses to a grant an injunction. I think the same thing must apply in the case of a person who claims under a registered design".

(11) SMITH'S case was followed by the Court of Appeal In, Zaldener vs. Barrisdale Engineers Ltd. : 1968 Rpc 488 (4) Willmor, L. J. at page 495 said :

"It is naturally with reluctance that I differ from the view of so experienced a Judge but I cannot think this is a proper case in which to grant the relief of an interlocutory injunction. The grant of such relief can be a very serious matter, especially if it leads to the closing down of the defendants' works for an indeterminate period, with the possibility of throwing a number of people out of employment. In the circumstances of this case I do not see that, in the absence of an interlocutory injunction, there is the slightest chance of the plaintiff suffering any irreparable injury. I see no reason why damages should not afford an adequate remedy, assuming that the plaintiff ultimately succeeds in the action We have not been informed as to the scale on which the defendants are operating, but if it turns. out that they are operating on a large scale then no doubt, if the plaintiff succeeds in the action, she will recover substantial damages. But equally on that basis there should be no doubt as to the ability of the defendants to pay them. If, on the other hand, the defendants are operating on only a small scale, then I venture to think that any injury to the plaintiff will be almost minimal". Lord Denning in Hubbard vs. Vosper (1972) 2 Wlr 389 (5) said :

"In considering whether to grant an interlocutory injunction, the right course for a judge is to look at the whole case. He must have regard not only to the strength of the claim but also to the strength of the defense and then decide

what is best to be done. Sometimes, it is best to grant an injunction so as to maintain the status quo until the trial. At other times it is best not to impose a restraint upon the defendant but leave him free to go ahead. For instance in *Fraservs. Evans* (1969) 1 Qb 349, although the plaintiff owned the copyright, we did not grant an injunction, because the defendant must have a defense of fair dealing. The remedy by interlocutory injunction is so, useful that it should be kept flexible and discretionary. It must not be made a subject of strict rules".

(12) I take it to be well settled, both in India and in England that an interlocutory injunction will not normally, be granted where damages will provide an adequate remedy should the claim succeed. Furthermore, I have always understood the rule to be that the court will not grant an interlocutory injunction unless satisfied that there is a real probability of the plaintiff succeeding on the trial of the suit. Where the design is of a recent date, as in this case, no injunction should be granted. More so, when there is a serious question as to the validity of the design to be tried in the suit and an application for cancellation has been made. Where a person is entered as a proprietor of a registered design, that is under the Act no conclusive proof that the plaintiff is the proprietor of the design, but only a prima facie evidence that he is the proprietor. The plaintiff has this advantage that if no evidence at all is given then the certificate is sufficient evidence that he is the proprietor. *Mohammad Abdul Karim Vs. Mahammad Yasin*, .

(13) I think every ground on which a registered design may be cancelled under the Act should be available by way of defense to a suit for infringement., It will be odd to hold that on the strength of a recent registered design, the plaintiff can claim an absolute right to restrain everyone else from carrying on his business unless and until the registered design of the plaintiff is cancelled in appropriate proceedings by a competent court of law.

(14) Design is a conception, suggestion or idea of a shape and not an article. If it has been already anticipated it is not "new or original". If it has been pre-published it cannot claim protection. Publication before registration defects the proprietor's right to protection under the Act.

(15) In the leading case of *American Cyanamid V. Ethicon* (1975) Ac 396 (7), the House of Lords has stated the principles governing the grant of injunction in patent litigation. According to Lord Diplock, the correct approach is as follows : The Court must. first be satisfied that there is a "serious question to be tried". Then it should turn at once to the balance of convenience. If it appears that damages awarded at the trial will adequately compensate the plaintiff and the defendant is likely to be able to pay them, interlocutory relief should not normally be granted. If damages will not be adequate to compensate the plaintiff it becomes necessary to consider whether, on the other hand, the defendant would be adequately compensated by damages upon the plaintiff's cross-undertaking, should be not make good his claim at trial : If they would be adequate the injunction will be granted. If the balance remains substantially

even, some account can ultimately be taken of the relative strength of each party's case as revealed by the affidavit evidence.

(16) This new formulation has given greater prominence to balance of convenience. The Ethicon case has transferred emphasis to the balance of convenience. Applying this principle to the present case it appears to me that to grant an injunction will be to cut off for good the road to commercial success of a business competitor. In the event of the plaintiffs success damages will be an adequate remedy. And the defendants' financial position to pay damages has not been questioned before us. "They are prepared to give an undertaking. The balance of convenience lies in favor of refusing the interlocutory relief that is sought. The granting or withholding of interlocutory relief would depend upon the ability of either party adequately to be compensated in monetary terms and ultimately on the balance of convenience. The defendants' ability to pay damages is a factor which tilts the scales against the plaintiffs. (For an excellent summary of the principles governing interlocutory injunctions see Terrell on Patents 13th Edition, pp. 371-373).

(17) In England the design registration system may soon disappear as a species of intellectual property. The Whiteford Committee has recommended it. The case for excluding protection starts from the fact that (in the absence of any patent or confidential information) copying of individual products has traditionally been a legitimate part of the competitive process. (Cornish : Intellectual Property pp. 421, 607).

(18) In Halsbury's Laws of England (3rd Edition) Vol. 38 at p. 662 it is said :

"THE Court, while bearing in mind that the law of designs exists for the purpose of protecting innovations which do not involve such invention as is necessary for the subject matter of letters patent, yet rightly considers that there must be some check on the hampering of industries which would result if every unimportant alteration of shape or pattern, become the subject of monopoly".

(19) Two competing principles are struggling for mastery in the industrial field. One is the principle of acquisition of proprietary rights in the intellectual property. The other is business competition so essential for economic progress. No country confers on the created of an idea a perpetual property in it against imitators. The political and economic implications of such a privilege would be remarkable .Instead a set of limited forms of protection are fashioned against some types of exploitation by others. The root issue to which we constantly return is whether the balance achieved by this approach is broadly appropriate to the economic needs of the country and to the prevailing sense of what is just. (W.R. Cornish : Intellectual Property p. 6).

(20) I would once again emphasise that the principles regarding the grant of injunction in India and in England are essentially similar. And these principles are as old as the hills. With other British specialities of the Act of 1949 we are not concerned. But injunction was a well known remedy under the English Act of

1883 and continues to be so in the present English Act of 1949. Our Act is of 1911. That there are bound to be differences in the law, I don't deny. The draftsman generally incorporates the changes which experience has shown to be necessary and updates the law.

(21) The principles are clear. The difficulty lies in their application. On the recent design in this case the plaintiffs cannot be granted an injunction when there is a serious question to be tried in the suit. If there is any real dispute on the questions as to infringement or validity of the registered design the court will, as a general rule, refuse an interim injunction. Damages will afford a sufficient remedy. The defendants are prepared to give an undertaking as to damages.

(22) I cannot accept the argument that the plaintiffs on the strength of the registration certificate have absolute right, a right which is good even against independent designers. "The Court is not in the habit of granting injunctions until the title has been established". "The Court leans against monopolies". The certificate does not establish a conclusive right. It has to be tried and tested in the laboratory" of courts. We must not forget that the registered design of the plaintiffs is of a very recent date. In case of a recent monopoly which is seriously . disputed on various grounds such as prior publication, lack of originality trade variation etc. it will not be proper to grant an injunction. There is a serious question to be agued as to whether the design is valid or not, and on the facts I am not satisfied that the balance of convenience requires an interim injunction, particularly in view of the undertaking which the defendants are prepared to give.

(23) Counsel for the plaintiffs says that the effect of Section 53 of the Act is to grant a statutory right to the person who happens to have got registered and that that person has an absolute statutory right until the registration is set aside. I do not agree. The reason is that it really does not matter much in this case whether the defendants' defenses are considered in the infringement suit or in the cancellation application. The defense and the cancellation application are both before the court now. Whether in one fon or the other there is a serious dispute as to whether the design is the proper subject of a monopoly. In the present case undoubtedly the design is a recent one, the monopoly of which is sought to be established. The principle which applies to monopolies in patents equally applies to the "comparatively minor monopoly in designs" (Smith v. Grigg Ltd., (supra) per Scrutton, L.J., at page 153). Applying the accustomed principles of Order 39 Rules I and 2 CPC it appears to me that the plaintiffs have failed to establish a case as would entitle us to grant an interlocutory injunction.

(24) It will be undesirable to comment more fully on the merits of the application. In an interlocutory appeal on the whole the less said about the merits of the case the better.

(25) The defendants are directed to keep an account of all the sales they make of the impugned product. "They shall submit the same after every six months in

court. They will give an undertaking that they will pay damages to the plaintiffs should their suit subsequently succeeds. I would suggest an expeditious trial of the suit and the application.

(26) For these reasons I would refuse injunction and dismiss the appeal.

(27) I think the proper way to deal with the costs of this appeal and the costs below is to make them costs in the issue as to registered design. If the plaintiffs succeed in enforcing their registered design, they will get these costs. If they fail they will have to pay them. G. C. Jain, J. 1 agree.