



## **AN ANALYTICAL STUDY ON TRADE MARKS AND DESIGNS ACT, 2000**

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### **ABSTRACT**

The improvement of Intellectual Property Rights mirrors the monetary and also mechanical development of a country. The idea of globalization has extraordinarily influenced the significance of Intellectual Property Rights. Licensed innovation Rights have achieved significant advance in the field of science and innovation. The laws in regards to Intellectual property in India have developed with the progression of time. Modern age is suggestive of the appearance of fast headways in the field of science and innovation. From wheel to railroad motor a few s started that served to revolutionarise the world. Present day age has seen comparative developments in specialized segments with a tremendous development in Industrial Designs.

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## **INTRODUCTION**

### **Objectives**

The objectives of this project are:

- To brief regarding the designs act & its working
- To supply information on its essentials, procedure & rules
- To give out the available remedies against violators
- To study the Dabur case & other related case laws

### **Limitations**

Actual resolution of legal issues depends upon many factors, including variations of fact and laws of the land. Though the firm has taken utmost care in the preparation of this article, the information contained herein is not intended to constitute any legal advice and the firm cannot accept any responsibility towards those who rely solely on the contents of this article without taking further specialist advice. This project contains information from the internet sources which may not always be fully authentic & up to date.

## **RESEARCH METHODOLOGY**

Primary and secondary data fall within the scope of statistics and can be used as part of a research method. This project involves Secondary Data Collection. Secondary data is information that is already available somewhere, whether it be in journals, on the internet, in a company's records or, on a larger scale, in corporate or governmental archives. Secondary data allows for comparison of, say, several years worth of

statistical information relating to, for example, a sector of the economy, where the information may be used to measure the effects of change or whatever it is that is being researched.

### **Hypothesis**

A hypothesis statement is typically an educated guess as to the relationship between factors, and serves as the basis for an experiment to test whether the relationship holds true. Hypotheses are generated in business process improvement initiatives in order to create experiments that determine the best combinations of factors for a process.

The hypothesis statement for this project is “Has the Designs Act, 2000 achieved its objective of giving protection to its proprietors? If so in what way? If Not what needs to be done for a better measures?”

### **Need For Study**

A design makes the product attractive and appealing thus adding to the commercial value and increasing its marketability. It can well be envisaged that competitors and third parties may try and exploit the design to their advantage. Herein originates the need to protect the design and its concept.

A design is a result of hard work and substantial investments. It is important therefore that the design be protected so that no one else derives benefits from it. Once registered, the proprietor is granted exclusive rights to the design. These rights restrict others from using the design for commercial or professional purposes, without due permission of the proprietor. Thus no one else can legally manufacture, sell, import or rent a product whose appearance does not significantly differ from the registered design.

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## INTRODUCTION

Industrialisation and innovation have been revolving upon the theory of value for money. The consumer always tries to gain value of the product from its utility whereas the producer aims at harvesting profits from the investment to develop the product. Given the plethora of options available, preference would always be given for the product with original innovation, novelty and distinctiveness. To reflect globalization, registration of a novel designs is now a common practise amongst every enterprise as they try to keep their product ahead & superior to others. Racing to protect one's own design, these enterprises face a crucial threat of design infringement for their registered design.

The intellectual assets developed by these enterprises are vulnerable and stand prey to infringement. Though there are many strict provisions in IP laws dealing with infringement issues but they are not capable enough for protecting the intellectual assets. Industrial Design, has been serving as a secondary source for protection of products made by an enterprise on the basics of their appealing nature and novelty. These are granted for a period of 10 years from the date of filing and are further renewed for a period of five years accordingly. The main intension behind the registration of the design is to gain monetary value and protection. The monetary gain and protection are both hampered once the design is infringed by another party. To keep a check, the Indian government recently announced its National IPR policy, which compliant with the World Trade Organisation's agreement on Trade Related aspects of IPRs (TRIPS) and moreover the policy also has been keen upon increasing awareness for generation and effective enforcement of IPR, besides encouragement of IP commercialisation through various incentives. The IPR policy mainly highlights the issue of infringement in Patents, design and Trademark and the steps being taken by the authority to stop the practise of infringement or piracy in Indian jurisdiction respectively.

Design is defined as "*drawing or the depiction of an original plan for a novel pattern, model, shape, configuration, that is chiefly decorative or ornamental.*"

"Design means 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". It can be called as a new ornamentation for a functional object.

### TRIPS Agreement & Designs Act, 2000

Under the TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement, minimum standards of protection of industrial designs have been provided for. The design law in India has amended to incorporate the minimum standards of protection of industrial design.

Designs Act 2000 aims at promoting innovative activity in the field of industries and serves its purpose well in the rapid changes in technology and international developments. The Design Act was amended in the year 2008 (Designs Amendment Rules 2008) and the amendment provides for a

more detailed classification of design to conform to the international system and to take care of the proliferation of design related activities in various fields.

## CONDITION FOR AN ADMISSIBLE DESIGN

A design is admissible if only it is incorporated in an article. It can be either three-dimensional or two-dimensional. The shape of a bottle is three dimensional in nature and on the other hand a design on wallpaper is two-dimensional. However, to consider as design, it must be applied to an article itself.

**Novelty and originality:** A design is admissible only when it is new or original means, not previously published in India. The newness is measured in respect of the class of article to which it has been applied. It is estimated on the testimony of experts in the trade. The person who is authorised to pass the verdict on the novelty and originality is an expert who is aware of what is common trade knowledge and usage in the class of goods to which the design is applied.

**Applicable to an article:** The design should relate to features of shape, configuration, pattern or ornamentation applied or applicable to an article. Hence, the industrial plan designs layouts and installations cannot be taken as 'design' under the Act.

**Visible on the finished article:** A design should be appeal solely by the eyes of the consumer. This means a 'design' in order to qualify, should be visible on a finished article. For example, the inside arrangements of a closed article cannot be considered as 'design' as per the law.

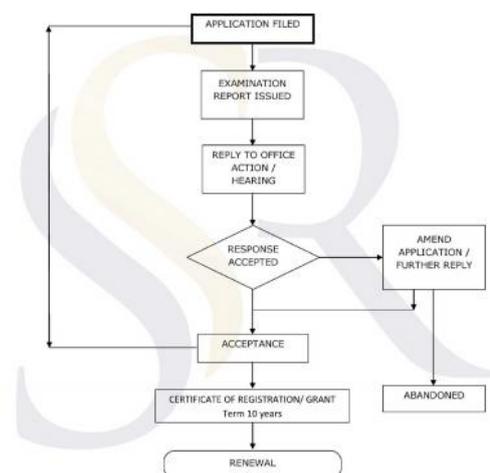
**New Combination:** A combination of previously known designs can be registered provided the combination produces a new visual appeal.

**Colour:** Colour can form a part of design but the colour by itself cannot constitute a subject matter of design.

**Non-obviousness:** The registration of a design is effective only to an article, which is non-obvious in nature. In other words, a matter of common type cannot be registered as design under the law.

**No prior publication:** The design should not be previously published in India.

### Design Registration Procedure



After an application is made with the Indian Patent Office, an examination report may be issued. Within a stipulated time period i.e., within six months from the date of filing of the design application a reply is required to be filed in response to the objections raised in the examination report.

The response may be accepted or rejected by the Controller. If rejected, an opportunity of amending the application or submitting further replies is provided.

Once the objections are complied with, the application is accepted and a certificate of registration is issued. The registration is valid for a period of 10 years and can be renewed for another term of 5 years.

**Piracy of registered design or infringement of copyright in registered designs**

In the Piracy of registered design, every resemblance doesn't seem to be the action of infringement or imitation. An obvious imitation is, one where immediately strikes another design as being so similar to the original registered design, to be almost impossible to differentiate. The most common method to identify infringement as stated in (*Veeplast v Bonjour, 2011*): the two products need not be placed side by side, but rather examined from the point of view of a customer with average knowledge and imperfect recollection. The main consideration is whether the broad features of shape, configuration and pattern are similar to one another

Further as per **s. 19 of the Design Act, 2000** which provides a provision to a registered proprietor for cancellation of registration of design on the various grounds such as novelty etc. All grounds available to a person seeking cancellation may be adopted as a defence in infringement proceedings. In *Steelbird v Gambhir (2014)* the Delhi High Court upheld the defendants' plea that the design was neither novel nor original and thus it is not eligible for protection under the design law. The court vacated the injunction.

During the existence of copyright in the design, without license or written consent of the registered proprietor, following acts would be considered piracy of registered design under Section 22 of Indian Design Act:

1. 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;
2. To import such article for the purposes of sale;
3. To publish or expose or cause to be published or exposed for sale, that article.

This is pertinent to note that under the aforesaid circumstances 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 of design in India and till the expiry of copyright.

**Filing of Suit:** No suit or any other proceeding for relief under the Designs Act shall be instituted in any court below the court of District Judge. In other words, the suit for infringement, recovery of damage etc should not be filed in any court below the court of District Judge.

**Remedies against Piracy of registered Design in India**

The judicial remedy for infringement of a registered design recommended in the Act is damages along with an injunction. The Act stipulates as follows.

If any person acts in contravention of the rights of the design holder, he shall be liable

- to pay damages to the registered proprietor of the design
- 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.

The principles for grant of injunction are as follows.

- The plaintiff should make out a prima facie case and demonstrate that the balance of convenience is in his favour;
- Interlocutory injunction granted if there is clear evidence that the loss suffered by the plaintiff cannot be monetarily compensated in the success in the action;
- Interlocutory injunction will not be granted if the validity of registration in question;
- Interlocutory injunction will not be granted if the defendant gives an undertaking to keep an account and according to that undertaking the plaintiff would be sufficiently compensated in the success of the suit.

**Case Laws related to the Indian Scenario**

In the case of *Dabur India Ltd. v. Rajesh Kumar and Ors [2008]* the Delhi high court has raised the questions against the frivolous Design litigation. The Court in the case seems to have given due regards to all the aspects appended to the use of the bottle's design in question and going beyond the tenets of design law, the Court has taken into consideration practicalities mainly.

In *Marico v Raj Oil (2008)* the court held that caps were articles as defined under the Designs Act and were "capable of being made and sold separately". However, an injunction in this instance was refused, since the rival caps were dissimilar. In *Troikaa v Pro Labs (2008)* the defendant was restrained from manufacturing, marketing and using tablets that were similar in shape and colour to the plaintiff's tablet, as it had registered the shape and configuration under the Designs Act.

**Key Issues**

The key issues that need special mention are summarised in the below table:-

Registration	Examination	Publication & Information dissemination	Enforcement of the Act	General
<ul style="list-style-type: none"> <li>• Formalities should be reduced</li> <li>• Registration time must be reduced to 6 months and proper status updates must be given from time to time</li> <li>• Awareness should be raised with respect to option of online registration</li> </ul>	<ul style="list-style-type: none"> <li>• Need to speed up the process given the demand for the final product and market competition</li> </ul>	<ul style="list-style-type: none"> <li>• Authorities normally take 2.5 years to register their name in their publication</li> <li>• Sometimes there is no up gradation of database</li> <li>• There is a need to speed up this process</li> </ul>	<ul style="list-style-type: none"> <li>• Enforceability is weak with most of the infringements go unnoticed</li> <li>• Nearly 98 per cent of the product designs are protected under Industrial Design Act but then also it gets copied by the small firms</li> <li>• No threat of legal implications</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of awareness</li> <li>• Lack of trust on the enforcement mechanism</li> <li>• Tendency to avoid legal hassles</li> <li>• Informal markets and size of these markets in some products segments limits the scope of monitoring</li> </ul>

## CASE STUDY

The in surge of litigation is not merely restricted to protect marks, labels or get ups, but has over flown to other realms as well. Dealing with the shape of the container, is the case of *Dabur India Ltd. v. Rajesh Kumar and Ors. [2008 (37) PTC 227 (Del.)]*. The suit at hand was a suit for permanent injunction claiming that Rajesh Kumar and his co-parties were infringing Dabur' trade mark and its registered design while passing off their goods as those of Dabur'.

Dabur claimed that it was marketing 'DaburAmla Hair Oil' in bottles having a distinctive design - a semi circular shoulder with a curvaceous back and front panel converging taperly into each other. They claimed the shape and configuration of the bottle to be unique, novel and original and had registered the same under the Designs Act, being valid until February, 2011. The green cap put over the bottle was also registered under Designs being valid until June, 2011. They also contended that these bottles had the trademark 'Dabur' embossed at the bottom. Dabur alleged that Rajesh Kumar was manufacturing plastic bottles which were an imitation of Dabur' bottles and also alleged to carry the 'Dabur' trade mark embossing at the bottom. They also alleged Rajesh Kumar of selling these bottles to counterfeiters of 'DaburAmla Hair Oil'. An ex parte interim order had been granted to Dabur by the Court for seizure of the infringing material.

Rajesh Kumar in his written statement stated that the suit was liable to be dismissed since it was based on false and frivolous allegations. They claimed not to have been imitating the bottles of Dabur while asserting that no embossing of Dabur' trade mark on any part of the bottles seized by the Local Commissioner or being sold by them. They asserted that they were not copying or infringing the designs of Dabur. They stated that the bottles were being sold for multifarious uses of different persons and that they were selling empty bottles without any mark or number over these bottles. Selling of bottles of different sizes and shapes along with cap was their sphere of business.

During the arguments, bottles of both the parties, were produced and compared in the Court. The Court noted that Dabur had made a false averment in the plaint that Rajesh Kumar was selling bottles with trade mark of the plaintiff embossed on the bottle. None of the bottles that had been seized bore the trade mark 'Dabur' either at the bottom or at any other place. Neither any of the Local Commissioners in his report has stated that the bottle was having embossing of trade mark of 'Dabur'. It is apparent that Dabur to make out a case of infringement of trade mark and design had made a false averment.

The Court also opined that the bottles used by Dabur were commonly used by other companies as well for marketing hair oil, fixers and liquid products. Further, they stated that a perusal of the design registration certificate of Dabur showed that the plaintiff had not got any peculiar feature of the bottle registered as a design, but the whole bottle registered as a design. A plastic bottle is not being a new thing, they stated the same to have a very common shape and devoid of any peculiar eye catching design or shape. The Court also referred to a plethora of cases cited to substantiate its opinion. They also stated an absence of a substantial difference in Dabur' bottle and the bottles used earlier or registered earlier as design by other companies with different features.

The Court concluded that a strong prima facie case that the trademark or design held by Dabur was infringed. The bottles of Rajesh Kumar did not bear trade mark of Dabur. Rajesh Kumar trading in empty bottles, could be used by anyone and everyone for filling any kind of liquid and that no presumption that these bottles can be used only for imitation and marketing of 'DaburAmla Hair Oil' could be existent. In this light, Dabur' prayer stood unanswered and his application dismissed.

The Court in the case seems to have given due regard to all the aspects appended to the use of the bottle's design in question. Going beyond the tenets of design law, the Court has taken into consideration practicalities and has delivered a judgment which is likely to deter frivolous litigation in the future.

## SUGGESTIONS

Better protection of the design infringement law in India is an actual need of the hour. The design law needs to be clearer regarding the laws of registration of design and more precisely the laws related to protection of registered design proprietor. There should be proper deterrent remedies including stringent fines. Further, the Design Office needs to review its examination procedure and include more thorough novelty searches to ensure that when applicants are granted a right, they can be reasonably sure that it is stable and can be relied upon to prevent misuse. The Design Office also needs to improve its e-filing initiative and make design records available online. The prior art search up to most extent can be useful for limiting the cases of design infringement in India.

Like any other Intellectual Property Rights, Industrial Design protection is limited to the country in which protection is granted. The Hague Agreement aims at providing a mechanism for securing protection of an industrial design in all the designated member countries by filing a single international application.

India is not yet a member of the Hague Agreement.

## CONCLUSION

In a world where simultaneous copying rages and piracy has become a business model, legislation addressing innovators' rights is a necessary addition to intellectual property law and a fair complement to anti-counterfeiting measures.

Design denotes those which are protected by the design system of our country, i.e., Designs Act, 2000. But it should also be remembered that design act prohibits registration of those which lack novelty or originality and also those designs which have been disclosed to the public domain in a tangible form or in any other way prior to the filing date or, which is not significantly distinguishable from non designs or combination of non-designs or comprises or contains scandalous or obscene matter. This act has been enacted, taking into consideration the international standard that has been kept for design protection. It also states that the design must have an eye appeal, which means that it should attract people towards the article. It should also be noted that the design must possess some features beyond those necessary to enable the article to fulfill its particular purpose.

A rationale basis for the protection of designs is to reward the designer's creativity and to provide incentives for future contributions, however a balance must be maintained between such reward and the long term goal of promoting competition within a market based economy. The owner of the registered design right will be in a position to oppose infringement in relation to goods in respect of which the design has been registered. Designs which appeal to the eye can be of a tremendous commercial value. So there is a real need to register the design as a registered design. It is the only way to prevent piracy of designs and to encourage the origin of new and original ones. The Designs Act 2000 to a great extent serves as an umbrella protection for Industrial Designs.

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