

*** THE HIGH COURT OF DELHI AT NEW DELHI**

+ C.S (OS) No. 1361/2002

Date of Decision: 06.12.2013

PAWAN DEEP SINGH BAHL

..... Plaintiff

Through: Mr. J. Sai Deepak with Mr.
Maanav Kumar, Adv.

versus

PRINCEP SUPPLY AGENCY

CF+

..... Defendant

Through:

CORAM:

HON'BLE MR. JUSTICE M.L. MEHTA

M.L. MEHTA, J.

1. The plaintiff has filed this suit seeking reliefs of permanent injunction, restraining piracy of industrial design, infringement of copyright and passing-off, along with rendition of accounts of profits, delivery-up and damages with respect to Registered Industrial Design No. 182353.
2. The plaintiff is the sole proprietor of the trading firm, A. Paul Instruments (Delhi). The plaintiff's case is that he, either by himself or through his licensees and sister-concerns, is engaged in the

manufacturing and marketing of rail thermometers and related equipment. The specific product of the plaintiff, which is the subject-matter of the instant suit is called “**Plug with Thermostat**” or “**Mercury in Glass Thermostat**”. The plaintiff states that these are products of his own inventive creation, which is the result of his efforts and skills and that he owns all the intellectual property rights in the said products as well as the drawings. The plaintiff submits that he is the registered proprietor of the Industrial Design bearing No. 182353 dated May 16, 2000.

3. The plaintiff submits that the said thermostat, developed by him is of an extremely compact design and the overall product has an aesthetic appeal as compared to other thermostats available in the market. As a result, the thermostats designed by him achieved tremendous popularity in the market. He submits that the qualities of his products have been recognized by the Research Design and Standards Organisation, Ministry of Railways, Govt. of India (RDSO), which has made the plaintiff and his sister concerns as the only approved supplier of thermostat assemblies to the railways.

4. The plaintiff states that on or around July 19, 2002, he received a letter from Archie International, a Delhi based agency asking for a quotation for the supply of thermostat assemblies. He sent his quotation vide letter dated July 20, 2002. Thereafter, he was asked to reconsider the terms of sale in view of a better offer from a third party. Upon further enquiry, he learnt that the said third party i.e. M/s. Princep Supply Agencies, the defendant herein, is also engaged in the business of manufacture and sale of thermostats. He further discovered that the defendant had provided samples to Archie International and offered to sell thermostat assemblies, which were an exact replica of the plaintiff's registered design and also in accordance with the technical drawings over which he had the copyright. He states that he procured from Archie International, an invoice of the defendant, which clearly stated that the products to be sold by it were in accordance with 'A Paul Drawings A-1 to A-13'.

5. The plaintiff states that he had also obtained a sample of the product manufactured by the defendant for the purposes of comparison and evaluation. Upon comparing the two products, he found the two to

be identical in terms of design as well as technical drawings. Even the colours adopted by him are stated to have been copied by the defendant. He states that from a bare look at the two products, it is almost impossible to differentiate except for the fact that his product bears the mark '**VENUS OPTITECH**' and the defendant's as '**SKI**'. The plaintiff claims that the defendant has copied the entire product by reverse engineering, by infringing the copyright and design belonging to him, and thereby constituting passing-off and unfair competition by the defendant.

6. The plaintiff submits that the cause of action in the present case arose when he first came to know that the defendant had offered his products for sale in Delhi at a cheaper price, on or around July 25, 2002. The cause of action further arose in August 2002, when he compared his products with that of the defendant. And that the cause of action is a continuous one that subsists till the present date. The plaintiff further submits that this Court has the jurisdiction to try the present suit, since the impugned goods were offered for sale in Delhi, and further also by virtue of Sec. 62(2) of the Copyright Act.

7. The defendant, Princep Supply Agency, a company with its registered office in Kolkata, has filed its written statement. The defendant submits that it is on the approved list of the Indian Railways and is in the business of supplying '**Mercury in Glass Thermostats**' since the last ten years to the Zonal Railways, and is supplying its goods, under the brand name 'SKI'. The defendant submits that it is not manufacturing these goods, but is only engaged in trading and marketing of the said goods.
8. The defendant submits that the '**Mercury in Glass Thermostats**', were originally being manufactured as per the design and technical specification of Integral Coach Factory (ICF) at Madras. Thereafter, this original design was modified by the plaintiff as per its Drawing Nos. A-1 to A-13, which were registered on May 16, 2000 with the RDSO, which is the governing authority for all Zonal Railways. Subsequently, this modified design was approved by the RDSO vide letter dated August 21, 2000, directing all the Zonal Railways to procure the '**Mercury in Glass Thermostats**' as per the said modified design.

9. The defendant submits that vide letter dated November 15, 2000, the Southern Railways asked it for the supply of the ‘**Mercury in Glass Thermostats**’, and to confirm whether it would be able to supply the same goods as per the modified design, i.e. Drawing Nos. A-1 to A-13. And that the quotation submitted by the defendant had been accepted by the Southern Railways. The defendants claim that they had no knowledge of the proprietorship of the plaintiff over the Drawing Nos. A-1 to A-13, because the demand letter issued by the Southern Railways did not make any mention of it. Moreover, in August 2001, the RDSO also made its own drawings of the modified design which was exactly similar to the plaintiff’s Drawing Nos. A-1 to A-13. The defendant submits that these drawings issued by the RDSO also did not contain the plaintiff’s personal or firm name. And thus, the defendant did not have any knowledge that the modified design belonged to the plaintiff.

10. The defendant claims, that on the contrary, the plaintiff always had knowledge of the fact that the defendant was supplying ‘**Mercury in Glass Thermostats**’ in accordance with its drawings. The defendant submits that vide its letters dated August 27, 2001 and

September 3, 2001, the RDSO had sent the specifications modified design only to the plaintiff and the defendant, out of several lakh railway suppliers. The defendant submits that the plaintiff was well aware of this fact all along. And that the plaintiff has not come to this Court with clean hands, by concealing these facts in the plaint.

11. The defendant submits that it was supplying the said '**Mercury in Glass Thermostats**' as per the RDSO specifications from time to time, and genuinely did not have any knowledge that these drawings were registered in favour of the plaintiff. And that it was only when the Local Commissioner, appointed by this Court, visited the defendant's office on September 9, 2002, that it came to know that the said design was registered in favour of the plaintiff.

12. The defendant further submits that the plaintiff's drawings are registered for only part of the '**Mercury in Glass Thermostats**' i.e. 'Plug with Thermostat', and that there is no design registration in respect of the said thermostats along with Base Plate and M. S. Plate. The defendant submits that a major part of its supply is of the complete product, which includes the Base Plate and M. S. Plate

along with the plug with thermostat. The defendant further submits that the plaintiff has no cause of action for filing the present suit as the plaintiff had prior knowledge of the defendant supplying similar '**Mercury in Glass Thermostats**' with holder assembly as required by the Zonal Railways in accordance with the drawings as specified in the letters dated August 27, 2001 and September 3, 2001.

13. The defendant submits that the impugned thermostat exhibited by the plaintiff being **Mercury in Glass Thermostat**, showing a range of 21C along with the trademark SKI of the defendant was never supplied to M/s. Archie International as contended by the plaintiff. And that the invoice of the defendant dated June 13, 2002 sent to M/s. Archie International showed that it had only offered the rates of the products of 22C, 24C and 26C; and not the 21C thermostat as exhibited by the plaintiff. And that the 21C was only supplied to the Zonal Railways and was not available in the market.

14. The defendant submits that the reliefs under the Copyright Act and Patents Act are not available to the plaintiff. The defendant submits that Sec. 15 of the Copyright Act stipulates that no copyright shall

subsist under the Act in any design which is registered under the Designs Act. And that the plaintiff's design is admittedly registered under the Designs Act, and hence cannot seek any protection under the Copyright Act. Further, the defendant submits that in accordance with Sec. 20 of the Designs Act, a registered design shall have the same effect as against the Govt. as it has against any person and the provisions of Chapter XVII of the Patents Act, 1970 shall also apply to registered designs. And that under the said Chapter, in accordance with Secs. 99 and 100 of the Patents Act, the railways is well within its rights to authorize any person in writing to use the invention for the purposes of the Govt. to carry out its sovereign duties. The defendant further submits that the Govt. authorities, namely the RDSO had clearly sent a written specification of the thermostats required by it, and that the defendant was merely adhering to the specifications as demanded by the RDSO.

15. The defendant reiterates that it is not guilty of any of the acts complained by the plaintiff. And that in accordance with Sec. 20 of the Designs Act, 2000 read with Sec. 47 and Chapter XVII of the

Patents Act, 1970, a patent/design is granted subject to the condition that any machine/apparatus or other article in respect of which the patent/design is granted may be made by or on behalf of the Govt. including a Govt. undertaking, for the purpose of merely its own use. Thus by calling for and accepting the tender of the defendant for '**Mercury in Glass Thermostats**', as per the specifications i.e. Drawing Nos. A-1 to A-13, the Southern Railways authorized the defendant to make available the subject product. Thus, the act of the defendant in no way infringes upon the rights of the plaintiff, under the Designs Act and the Copyright Act. And that the plaintiff should raise concerns of piracy, infringement and passing-off with the RDSO and not with the defendant. For which reason, the defendant contends that the instant suit is bad for non-joinder of necessary party i.e. the RDSO.

16. The plaintiff has responded to the Written Statement stating that the defendant cannot claim to be unaware of the fact that the plaintiff was the registered proprietor of Drawing Nos. A-1 to A-13 because, the letter issued by the RDSO clearly states that the plaintiff has developed the improved new thermostat design.

And that the letter dated July 25, 2002 clearly reveals that the defendant was supplying the infringing product to private/third parties. Further, the plaintiff submits that the defendant cannot seek the defense of Sec. 99 and 100 of the Patents Act, since there is no agreement or license given by the plaintiff to the defendant to supply the product to third parties.

17. Vide order dated September 4, 2002, this Court granted an ex-parte interim injunction u/O 39 Rules 1 and 2 of the Civil Procedure Code, 1908 (for short 'the Code'), restraining the defendants from manufacturing, selling, offering for sale by tenders or otherwise, distributing, in wholesale or retail, advertising, promoting and in any manner, directly or indirectly dealing with thermostats of the Registered Design No. 182353. Vide the same order, a Local Commissioner was appointed to visit the premises of the defendant at Kolkata to inspect and make an inventory of the infringing products identical or similar to the plaintiff's products.

18. The Local Commissioner filed his report on September 30, 2002.

In the search was conducted at the premises of the defendant, the

Local Commissioner recovered one '**Mercury in Glass Thermostat**' bearing the plaintiffs mark 'VENUS OPTECH' and several other products which were identical to that of the plaintiff's. Further, the Local Commissioner perused through the books of accounts of the defendant company and found bills, which were raised against the sale of '**Mercury in Glass Thermostats**'. These bills were of the year 2002 and all the sales were to various Zonal Railways.

19. Vide order dated September 08, 2004 the Court framed following issues for trial:

- 1.) Whether the plaintiff is the registered proprietor of design bearing no. 182353? OPP
- 2.) Whether the plaintiff is competent and authorized to file the present suit on behalf of the firm? OPP
- 3.) Whether the defendant has committed piracy of the Registered Design bearing no. 182353, granted to the Plaintiff on the 16th of May, 2000? OPP
- 4.) Whether the suit has been properly valued and the plaintiff has paid proper ad valorem Court fee? OPP
- 5.) Whether the defendant has infringed copyright in the plaintiff's '**Mercury in Glass Thermostats**', by way of

substantial reproduction and/or colourable imitation of the plaintiff's technical drawings, dies, casts, moulds and its final product? OPP

6.) Whether the suit is bad for non-joinder of necessary party (RDSO Lucknow)? OPP

7.) Whether the plaintiff has no cause of action against the defendant? OPD

8.) Whether the defendant has passed off its goods as those of product as that of the plaintiff? OPP

9.) Whether the immunity under Section 99 and 100 of the Patents Act, 1970 available to a Govt. Undertaking (RDSO) is passed on to the defendant? OPD

10.) Whether the plaintiff is entitled for the relief claimed in the suit? If so, to what effect? OPD

11.) Relief.

20. I have heard the Ld. Counsel for the plaintiff. The defendant has not led any oral arguments. I have also perused through the documents on record as well as the Report of the Local Commissioner. Issue wise findings are as under.

21. At the outset, I find that Issues 1, 2, 4, 6 and 7 are preliminary issues and hence, are decided first.

Issue 1:

22. The Plaintiff has placed on record, the certified copy of the Certificate of Registration of Design No. 182353, issued by the Assistant Controller of Patents and Designs (Exs. P1 and P2). It is apparent from the Certificate of Registration, that the plaintiff is the registered proprietor of the Design No. 182353 pertaining to the 'Plug with Thermostat Design'. It is also pertinent to note that the said documents have been admitted by the defendant. Hence, there is no doubt that the plaintiff is the registered proprietor of Design No. 182353. This issue is decided accordingly in favour of the plaintiff.

Issue 2:

23. This issue pertains to the authorization of the plaintiff to file the present suit on behalf of his firm, A. Paul Instruments. At this juncture, it is relevant to recapture that this is a suit for permanent injunction, seeking restraining piracy of industrial design, as well as infringement of copyright and passing off. As noted in the previous issue, there is no doubt that the plaintiff is the registered proprietor of Design No. 182353, in respect of which piracy is alleged.

24. In his evidence by way of affidavit, the plaintiff has deposed that he is trading in the name and style of A. Paul Instruments (Delhi). And that being the sole proprietor of the said firm, he is duly competent and authorized to depose the evidence by way of affidavit. He further states that the firm M/s. A. Paul Instruments Co., is a sister concern of his firm, which is owned by his mother. And that his mother's firm operates substantially in the same areas of operation as his firm.
25. During his cross examination, he has stated that M/s. A. Paul Instruments Co. is a proprietorship concern of his mother, and that A. Paul Instruments, Delhi, is his proprietorship concern. And that both the firms are manufacturers and are run as family business wherein, his mother is a nominal head, and he is functionally the managing director of A. Paul Instruments Co.
26. From the above, it is seen that the plaintiff is the registered proprietor of the Design No. 182353, as well as the sole proprietor of the firm A. Paul Instruments. Thus, it is apparent to me that the plaintiff is authorized to file the present suit. This issue is accordingly decided in favour of the plaintiff.

Issue 4:

27. This issue pertains to valuation of the suit for the purposes of jurisdiction and court fee. The defendant alleges, that the suit has been over-valued in order to bring it within the jurisdiction of this Court, and that the plaintiff has not paid the appropriate *ad valorem* court fee.

28. Paragraph 21 of the plaint is reproduced hereunder :

- a. *For an order of permanent injunction, restraining piracy of registered design, the relief is valued at Rs. 200/- and Court Fees of Rs. 20 is affixed thereon.*
- b. *For an order of permanent injunction, restraining infringement of copyright, the relief is valued at Rs. 200/- and court fee of Rs. 20 is affixed thereon.*
- c. *For a decree of delivery up, of all infringing products, the relief is valued at Rs. 200/- and court fee of Rs. 20 is affixed thereon.*
- d. *For a decree of damages of Rs. 5,50,000/-, court fee of Rs. 7,712 is affixed thereon.*
- e. *For an order of rendition of accounts of profit, the relief is valued at Rs. 15,00,000/- and court fee of Rs. 20 is affixed thereon.*

The value of the present suit for the purposes of jurisdiction is Rs. 20,50,400/- and for the purposes of Court Fee is Rs. 5,50,600/- . (emphasis supplied).

29. The relevant provision regarding valuation of a suit and the requisite court fee payable are as under.

30. Sec. 8 of the Suits Valuation Act, 1887 stipulates:

“8. Court Fee Value and Jurisdictional Value to be the same in certain suits – where in suits other than those referred to in the Court Fees Act, 1870, Section 7, paragraph v, vi, and ix, and paragraph x, clause (d), court-fees are payable ad valorem under the Court Fees Act, 1870, the value as determinable for the computation of court-fees and the value for purposes of jurisdiction shall be the same.”

31. Sec. 7 of the Court Fees Act, 1870 stipulates:

“7. Computation of fees payable in certain suits – The amount of fee payable under this Act, in the suits next hereinafter mentioned shall be computed as follows:-

.
. .
. .
. .

(iv) In suits –

for accounts – (f) for accounts –

according to the amount at which the relief sought is valued in the plaint or memorandum of appeal. (emphasis supplied).

32. Therefore, it is seen, that court fee payable for rendition of accounts is not included in the list of provisions exempted from the mandate of Sec. 8 of the Suits Valuation Act, 1887. It is also clear, that there is a statutory mandate which stipulates that the valuation of a suit, for the purpose of court fee and the valuation for the purpose of jurisdiction shall be the same.

33. Upon a closer examination of the break-up as provided under paragraph 21 of the plaint, it is seen that the plaintiff has claimed a relief of rendition of accounts valued at Rs. 15,00,000/-, while paying a fixed court fee of only Rs. 20/-, instead of the appropriate *ad valorem* court fee. Therefore, for the purpose of jurisdiction, the plaintiff has valued the suit at Rs. 20,50,400/- . Whereas, for the purpose of court fee, the plaintiff has excluded the relief of Rs. 15,00,000/-, and has valued the suit for the purpose of court fee only at Rs. 5,50,600/-. Thus, the discrepancy in the valuation of the suit for the purpose of jurisdiction and court fee is writ large, thereby violating the mandate under Sec. 8 of the Suits Valuation Act.

34. Although, the plaintiff is entitled to value the suit at his sole discretion, in the case of ***Tara Devi v. Sri Thakur Radha Krishna Maharaj***, (1987) 4 SCC 69, the Apex Court has held:

“[T]he plaintiff has the right to value the relief claimed according to his own estimation, and such valuation has to be ordinarily accepted. The plaintiff however, has not been given the absolute right or option to place any valuation whatever on such relief, and where the plaintiff manifestly and deliberately underestimates the relief the court is entitled to examine the

correctness of the valuation given by the plaintiff and to revise the same if it patently arbitrary or unreasonably.”

35. Further, in the case of ***Abdul Hamid Shamsi v. Abdul Majid & Ors.***, 1988 SCR (3) 507, the Apex Court observed:

“It is true that in a suit for accounts the correct amount payable by one party to the other can be ascertained only when the accounts are examined and it is not possible to give an accurate valuation of the claim at the inception of the suit. The plaintiff is, therefore, allowed to give his own tentative valuation. Ordinarily the Court shall not examine the correctness of the valuation chosen, but the plaintiff cannot act arbitrarily in this matter. If a plaintiff chooses whimsically a ridiculous figure it is tantamount to not exercising his right in this regard. In such a case it is not only open to the Court but its duty to reject such a valuation. The cases of some of the High Courts which have taken a different view must be held to be incorrectly decided.”

36. In the instant case, it is seen that the plaintiff has arbitrarily valued the relief of rendition of accounts at Rs. 15,00,000/-, in order to bring the suit within the purview of the pecuniary jurisdiction of this Court. This Court, in the case of ***Wockhardt Veterinary Ltd. v. M/s. Raj Medicos***, 1998 (6) AD (Delhi) 1, has made pertinent observation regarding valuation of relief for the purpose of jurisdiction in a suit for permanent injunction, infringement of copyright and passing off. The Court has held:

“No doubt law provides that in case of relief for rendition of account when the amount is not ascertained the plaintiff cannot be asked to give a specific and ascertained figure of the amount on which relief is sought in the suit. But that does not give a license to plaintiff to give a wholly arbitrary and unreasonable figure so as to divest a Court which has got the jurisdiction to try the suit and to invest a Court which would not have the jurisdiction to try the suit by giving a higher valuation so as to bring suit within the pecuniary jurisdiction of this Court.”

37. Although the plaintiff has valued the relief of rendition of accounts at Rs. 15,00,000/-, he has not been able to establish that the defendant has made profits worth the relief claimed, by passing off his goods as the plaintiff's. As contended earlier, the plaintiff has only been able to show that the defendant had sold a sample piece to M/s. Archie International along with the estimate/quotations for the sample piece (Exs. P4 and P5). Independent of the outcome of the remaining issues on piracy and infringement, I am of the opinion that merely the sale of a sample product for the purpose of estimate/quotation does not justify the relief claimed by the plaintiff amounting to Rs. 15,00,000/- in rendition of accounts. Therefore, it is clear to me that the plaintiff has arbitrarily over-valued the suit in order to bring it within the pecuniary jurisdiction of this Court, while ousting the jurisdiction of the competent court.

38. Moreover, despite overvaluation, the plaintiff has failed to pay appropriate *ad valorem* court fee for the relief of rendition of accounts, by conveniently excluding it from the computation for the purpose of court fee and only paying a Court Fee of Rs. 7,792/- for the relief of damages. In the absence of there being any foundation for the relief of Rs. 15,00,000/- for rendition of accounts as noted above, no useful purpose will be served in calling upon or awarding opportunity to the plaintiff to pay the deficient court fee for this relief. Hence, this issue is decided against the plaintiff. The suit is liable to be dismissed on this finding alone.

Issue 7:

39. With regard to the issue on cause of action between the parties, it is amply clear that the primary contention of the plaintiff is that the defendant's products are a complete copy of the plaintiff's products and that the defendant is offering his products for sale to third parties for a cheaper price. As stated in paragraph 19 of the plaint, the cause of action is said to have arisen on July 25, 2002, when the plaintiff first came to know that the defendant had offered its

products for sale in Delhi at a cheaper rate. Further, the cause of action is said to have arisen in August 2005, when the plaintiff obtained one of the defendant's products, and on comparison, found to be a complete copy of his products.

40. In the case of ***East Asia Shipping Company v. Nav Bharat Enterprises (P) Ltd.***, (1996) 3 SCC 443, the Apex Court has held:

“‘Cause of action’ consists of bundle of facts which give cause to enforce the legal injury for redress in a court of law. The cause of action means every fact, which if traversed, it would be necessary for the plaintiff, to prove in order to support his right to a judgment of the court.”

41. In essence, it is synonymous with the right to sue. In the instant case, the plaintiff is aggrieved by the defendant's purported sale of the infringing/pirated product to third parties. Therefore, it cannot be said that the plaintiff does not have any cause of action qua the defendant. However, it must be borne in mind that, the culpability of the defendant is subject to statutory exceptions enshrined in Secs. 99 and 100 of the Patents Act, 1970. Therefore, I find that the outcome of this issue is, inter alia, contingent upon the outcome of Issue 9. I shall now proceed to decide Issue 9

Issue 9:

42. In its written statement, the defendant has taken the preliminary objection that the plaintiff was not entitled to any relief against the defendant because the defendant was merely complying with the specification stipulated by the Southern Railways, which in turn, was well within its rights to authorize the defendant to use the plaintiff's drawings for the purposes of the Government, in exercise of the statutory immunity provided under Sections 99 and 100 of the Patents Act, 1970.

43. In her affidavit by way of evidence, Ms. Rani Nalwa, DW 1, has deposed that the defendant has been on the approved list of suppliers to the Indian Railways and is engaged in the business of supply of '**Mercury in Glass Thermostats**' since the last ten years. The defendant has relied upon DW-1/2 and DW-1/3, which is a letter dated August 27, 2000, issued by the Indian Railways. She states that '**Mercury in Glass Thermostats**' was originally being made as per the design/drawings and technical specifications of Integral Coach Factory, (ICF) Madras. And that suddenly, the

original design of this product was modified on its own by the plaintiff, according to his drawing nos. A-1 to A-13. And that thereafter, the design was registered by the RDSO Lucknow, which approved the plaintiff's drawings A-1 to A-13 and further issued a letter dated August 21, 2000 to all the Zonal Railways asking them to procure the product as per drawing nos. A-1 to A-13.

44. She has also deposed that the Southern Railway, vide its letter dated November 15, 2000, asked the defendant whose quotations had been opened on October 23, 2000 for supply of the goods as per drawings A-1 to A-13. And that the said letter made no mention of the fact that these drawings were registered in favour of the plaintiff and thus, the offer was accepted by the defendant in good faith. And that in August 201, the RDSO made its own drawings of the goods, which were identical to the plaintiff's drawings A-1 to A-13 with changes in technical specifications in comparison to earlier ICF specifications. Again, in these drawings, the plaintiff's personal or company name was not mentioned. And that, amongst several lakh suppliers, the RDSO only wrote to the plaintiff and defendant

seeking approval of the changes in the technical specifications, vide letters dated August 28, 2001 and September 3, 2001.

45. She further states that the plaintiff's registered design is only a part of the '**Mercury in Glass Thermostats**' (plug wit thermostat) and that there is no design registration for the entire product along with Base Plate and M.S. Plate. And that a major part of the defendant's supply was the complete product which includes the plug with thermostat, Base Plate and M.S. Plate. She also states that when the plaintiff came out with the modifications for the existing ICF design, the RDSO approved the plaintiff's designs, and directed the Zonal Railways to procure the product in accordance with the new specification. Subsequently, the Southern Railway placed orders upon the defendant for supply of the thermostats in accordance with the new specifications, and that the defendant was merely meeting this demand.

46. She further states that the said design has been used by the government for its own use. And that the defendant was merely supplying to the government in accordance with its demands. She also states that the defendant is supplying the 'SKI brand thermostat

of 21 degree centigrade' exclusively to the RDSO and to no other third party purchasers in the private market. And that the plaintiff has fraudulently procured the said thermostat. And that the defendant has never supplied the 21 centigrade thermostat to M/s. Archie International. And that the estimate/quotation and sample piece supplied to Archie International was only for 22, 24 and 26 Centigrade thermostats in accordance with the specifications that Archie demanded. And since the specification was in accordance with the RDSO standard, the defendant supplied the said sample piece. And that the defendant had no knowledge that the said RDSO drawings were the registered designs of the plaintiff.

47. She further states that in any event, the plaintiff has no remedy because the said designs have been adopted by the government for its own use, and that the government is well within its right to get products manufactured in accordance with the plaintiff's drawings from any third party manufacturer. And that the plaintiff has deliberately not made the RDSO a necessary party in the instant case, since the RDSO is the governing body of all Zonal Railways and that in the instant case, the Southern Railways had invited

tenders from various firms, including the plaintiff and the defendant firm at the behest of the RDSO.

48. I find considerable force in the defendant's argument. There is no doubt that the plaintiff's design is a registered design under the Design Registration Act, 1911. Under Sec. 20 of the Designs Act, a registered design is said to have the same effect, for all intents, as against the government as it has against any other person. Meanwhile, Chapter 17 of the Patents Act, 1970 also applies to registered designs as it applies to patents. Under Sec. 47 of the Patents Act, 1970, the grant of a patent is subject to certain conditions under sub-clause 1. One of them being, that a patent granted for any machine, apparatus or process may be imported or made by or on behalf of the government for its own use. Further, as per Sec. 99 of the Patents Act, an invention is said to be for the government's own use if it is made, used exercised or vended for the purpose of the Central Govt., State Govt. or Govt. Undertakings. In the instant case, the plaintiff's design is being used by the Indian Railways, which is a government undertaking. Further, under Sec. 100 of the Patents Act, the Central Govt. or any

person authorized in writing by it, may use the invention for the purpose of the government.

49. In response to this argument, the plaintiff has relied upon the case of ***Garware Wall Ropes Ltd. v. A. I. Chopra Ltd.*, 2010 (42) PTC 731 (Bom)**, where the Bombay High Court held in a similar case that the Indian Railways need not be a party to the suit, since the plaintiff had not claimed any relief against the railways. However, the case can be distinguished on facts. In the ***Garware Case*** (supra), the Konkan Railways was a co-patentee along with the appellant. Further, the respondent, who was another railway contractor, and had full knowledge of the appellant being the registered patentee. Whereas, in the instant case, the defendant did not have knowledge of the plaintiff being the registered proprietor of Drawings A-1 to A-13, since the RDSO re-issued the plaintiff's drawings as **RDSO Specification No. RDSO/PE/SPEC/D/AC/0023 (Rev 'O')**, without any mention of the plaintiff's name.

50. In the instant case, there is no dispute that the plaintiff's design has been approved by the Indian Railways as the new standard which is to be adopted by all Zonal Railways. And that the plaintiff and the

defendant are two approved suppliers, who are manufacturing/supplying thermostats in accordance with the modified standard. In the Certificate of Registration/Approval, issued by the RDSO, certifying the defendant as an approved supplier, the terms and conditions which are to be abided by the supplier are expressly mentioned. It is pertinent to note that these conditions do not stipulate that the supplier is prohibited from supplying similar products to third parties. Hence, it is not possible to impute the defendant for supplying the impugned products to third parties, without looking into the circumstances/terms and conditions based on which the RDSO adopted the plaintiff's design.

51. However, at this juncture, it is impossible to determine with certainty, if the Indian Railways (RDSO) had formally adopted the plaintiff's designs under Secs. 99 and 100 of the Patents Act. In absence of the RDSO, it is impossible to ascertain the circumstances under which the plaintiff's design was adopted by it, as well as determine whether the impugned products were manufactured by the defendant under the immunity derived from the immunity of RDSO under Secs. 99 and 100 of the Patents Act.

Therefore, I am of the opinion that the RDSO is a necessary party to the instant suit.

Issue 6:

52. As noted above, it is amply clear that the RDSO is a necessary party to the suit. Although the plaintiff is *dominus litis*, it is relevant to reproduce the observation of this Court in the case of ***Shri Pratap Singh v. Mr. Rahul Gupta & Ors., C.S. (O.S.) 1098/2008*** :

“The general rule in regard to impleadment of parties is that the plaintiff in a suit, being dominus litis, may choose the persons against whom he wishes to litigate and cannot be compelled to sue a person against whom he does not seek any relief. Consequently, a person who is not a party has no right to be impleaded against the wishes of the plaintiff. But this general rule is subject to the provisions of Order 1 Rule 10(2) of Code of Civil Procedure ('Code' for short), which provides for impleadment of proper or necessary parties. The said provision makes it clear that a court may, at any stage of the proceedings (including suits for specific performance), either upon or even without any application, and on such terms as may appear to it to be just, direct that any of the following persons may be added as a party: (a) any person who ought to have been joined as plaintiff or defendant, but not added; or (b) any person whose presence before the court may be necessary in order to enable the court to effectively and completely adjudicate upon and settle the question involved in the suit. In short, the court is given the discretion to add as a party, any person who is found to be a necessary party or proper party. A 'necessary party' is a person who ought to have been joined as a party and in whose

absence no effective decree could be passed at all by the Court. If a 'necessary party' is not impleaded, the suit itself is liable to be dismissed.” (emphasis supplied)

53. It is pertinent to note that the defendant had already taken the objection of the suit being bad for non-joinder of the RDSO as a necessary party. Despite this objection being taken at the very inception of this suit, no action was taken by the plaintiff to implead the RDSO as a party to the suit. Now, at this stage, after the expiry of eleven years since the institution of the suit, no meaningful purpose will be served to even allow the plaintiff to implead the RDSO as a party, as that would amount to re-opening the suit, *de-novo*. Therefore, this issue along with Issue 7 is decided against the plaintiff.

Issues 3, 5 and 8:

54. Issue 3 pertains to purported piracy of the registered design by the defendant. Issue 5 pertains to the defendant's purported infringement of the plaintiff's copyright on technical drawings. Issue 8 pertains to passing off by the defendant. As noted above, the culpability of the defendant in committing infringement, piracy or

passing off cannot be ascertained without RDSO, who is also a necessary party, it is not possible to record findings in favour of the plaintiff. In any event, since Issues 4, 6 and 7 have been decided against the plaintiff, it is futile to go into the exercise of determining Issues 3, 5 and 8.

Issue 10 and 11 – Relief:

55. The plaintiff has improperly valued the suit, and has failed to pay the appropriate *ad valorem* court fee. The plaintiff has also failed to implead RDSO, who is a necessary party to this suit. For the foregoing reasons, the plaintiff is not entitled to any relief. This suit is accordingly dismissed.

M.L. MEHTA, J.

DECEMBER 06 , 2013

kk/rmm