

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

% **Date of decision: 18th February, 2019.**

+ **CS(COMM) 903/2018 & IA 16586/2018 (u/O XXXIX R-4 CPC)**

CROCS INC. USA **Plaintiff**

Through: Mr. Akhil Sibal, Sr. Adv. with Mr. S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Pankaj Kumar, Mr. Kapil Giri, Mr. Vinay Kumar Shukla, Mohd. Sazeed Rayeen and Mr. Somnath Dey, Advs.

Versus

AQUALITE INDIA LIMITED AND ANR **Defendants**

Through: Mr. Peeyosh Kalra, Mr. C.A. Brijesh, Mr. Rohan Seth and Mr. Dhruv Grover, Advs.

AND

+ **CS(COMM) 905/2016 & IA 8606/2016 (u/O XXXIX R-1&2 CPC)**

CROCS INC USA **Plaintiff**

Through: Mr. Akhil Sibal, Sr. Adv. with Mr. S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Pankaj Kumar, Mr. Kapil Giri, Mr. Vinay Kumar Shukla, Mohd. Sazeed Rayeen and Mr. Somnath Dey, Advs.

Versus

ACTION SHOES PVT LTD & ANR **Defendants**

Through: Mr. Kapil Wadhwa, Ms. Deepika Pokharia, Ms. Devyani Nath & Ms. Kaveri Jain, Advs.

AND

+ **CS(COMM) 906/2016 & IA 8609/2016 (u/O XXXIX R-1&2 CPC)**

CROCS INC USA **.... Plaintiff**

Through: Mr. Akhil Sibal, Sr. Adv. with Mr. S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Pankaj Kumar, Mr. Kapil Giri, Mr. Vinay Kumar Shukla, Mohd. Sazeed Rayeen and Mr. Somnath Dey, Advs.

Versus

BIOWORLD MERCHANDISING INDIA LIMITED ..Defendant

Through: Mr. Anil Dutt and Ms. Sutapa Jana, Advs.

AND

+ **CS(COMM) 1415/2016 & IA 12767/2016 (u/O XXXIX R-1&2 CPC)**

CROCS INC. USA **..... Plaintiff**

Through: Mr. Akhil Sibal, Sr. Adv. with Mr. S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Pankaj Kumar, Mr. Kapil Giri, Mr. Vinay Kumar Shukla, Mohd. Sazeed Rayeen and Mr. Somnath Dey, Advs.

Versus

LIBERTY SHOES LTD & ORS **..... Defendants**

Through: Mr. Jayant Mehta, Mr. Kapil Wadhwa, Ms. Devyani Nath, Ms. Kaveri Jain and Ms. Deepika Pokharia, Advs.

AND

+ **CS(COMM) 569/2017, IAs 1724 /2018 (u/O XI R-1 CPC) & 6809/2015 (u/O XXXIX R-1&2 CPC)**

CROCS INC USA

..... Plaintiff

Through: Mr. Akhil Sibal, Sr. Adv. with Mr. S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Pankaj Kumar, Mr. Kapil Giri, Mr. Vinay Kumar Shukla, Mohd. Sazeed Rayeen and Mr. Somnath Dey, Advs.

Versus

BATA INDIA LTD & ORS

..... Defendants

Through: Mr. Neeraj Grover, Mr. Anmol Chadha, Ms. Anushka Arora and Ms. Rudrartii Kaur, Advs.

AND

+ **CS(COMM) 571/2017, IAs No.1726/2018 (u/O XI R-1(5) CPC) & IA No.6811/2015 (u/O XXXIX R-1&2 CPC)**

CROCS INC USA

..... Plaintiff

Through: Mr. Akhil Sibal, Sr. Adv. with Mr. S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Pankaj Kumar, Mr. Kapil Giri, Mr. Vinay Kumar Shukla, Mohd. Sazeed Rayeen and Mr. Somnath Dey, Advs.

Versus

RELAXO FOOTWEAR LTD

..... Defendant

Through: Mr. Gaurav Miglani and Mr. Aanand Raj, Advs.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. Applications for interim relief, in these suits for permanent injunction for restraining the defendant/s in each of the suit from passing off its/their

footwear as that of the plaintiff under the trade mark 'CROCS', by adopting and copying the shape trade mark/trade dress of the plaintiff, and for ancillary reliefs were for consideration. Mr. Jayant Mehta, arguing for all the defendants, while opposing the applications of the plaintiff for interim relief on merits, also contended that the suits, on the averments in the complaints therein, are not maintainable in the light of the dicta of the Five Judge Bench of this Court in *Carlsberg Breweries Vs. Som Distilleries* 2018 SCC OnLine Del 12912. The counsel for the plaintiff and Mr. Akhil Sibal, Senior Advocate briefed by the counsel for the plaintiff to address on the issue of maintainability, were also heard on the aspect of maintainability.

2. Thus, the very maintainability of the suits is for adjudication and only if the suits are found to be maintainable, the question of entitlement of the plaintiff to interim relief will be considered, and counsels have been heard thereon also.

3. Arguments, common in all the suits, have been heard on 14th, 15th February and today, with reference to CS(COMM.)1415/2016 and the counsel for the plaintiff states that the plaint of the plaintiff in the other suits, on aspects material for the purpose of present judgment, is identical.

4. The counsel for the plaintiff, in his opening arguments on 14th February, 2019, on enquiry, as to the status of the long pending dispute between the parties with respect to the footwear of the plaintiff known as 'CROCS', informed (i) that the plaintiff initiated the litigation for restraining some of the defendants from infringing the registered design of the plaintiff with respect to 'CROCS' footwear and from passing off their

goods as that of the plaintiff; (ii) composite suits were filed against some of the defendants for infringement of design as well as for passing off; (iii) however, on the Three Judge Bench of this Court in ***Mohan Lal Vs. Sona Paint & Hardwares*** (2013) 55 PTC 61 (Del) by majority holding that such composite suits did not lie, the composite suits earlier filed were continued for the relief of infringement of design only and these suits filed for the relief on the ground of passing off; (iv) that suits against some of the defendants, from inception, were separately filed on the ground of infringement of design and on the ground of passing off; (v) that interim injunction was denied to the plaintiff in the suits on the ground of infringement of design vide judgment reported as ***Crocs INC USA Vs. Liberty Shoes Ltd.*** 2018 SCC OnLine Del 10325 in the said suits; (vi) the plaintiff preferred appeals to the Division Bench of this Court against the denial of interim injunction in the suits on the ground of infringement of design and which appeal has also been dismissed on 24th January, 2019; and, (vii) however, it is the contention of the plaintiff that notwithstanding the denial of interim injunction on the ground of infringement of design, the plaintiff is entitled to interim injunction in these suits on the ground of passing off.

5. On enquiry from the counsel for the plaintiff of the reason which prevailed before the Single Judge as well as before the Division Bench for denying interim injunction to the plaintiff in the suits on the ground of infringement of design, the counsel for the plaintiff informed that the sole reason which prevailed was of 'prior publication of the design' but contended that the said prior publication found, was not by any third party,

but by the plaintiff itself and thus the said *prima facie* finding, though of the Division Bench of this Court, does not come in the way of this Bench granting interim injunction in these suits on the ground of passing off.

6. On 14th February, 2019, it was enquired from the counsel for the plaintiff that since the product/goods subject matter of design registration and in respect of which passing off also is claimed are the same and the plaintiff having been denied interim injunction in the suits on the ground of infringement of design, what is the entitlement of the plaintiff to interim injunction in these suits on the ground of passing off.

7. The counsel for the plaintiff contended that passing off is an action in a common law.

8. It was enquired from the counsel for the plaintiff, whether in common law, design was understood as a trade mark and even if so, whether the said action in common law survives codification of the law relating to designs, particularly if in the statute, the rights in a design are restricted. It was further enquired, when the law relating to trade marks was codified in India and in the world.

9. The counsel for the plaintiff stated that the law of trade marks was codified in India for the first time in the year 1940, and to his knowledge, for the first time in the world, in United Kingdom in the year 1938. With respect to the other query, it was argued that the question is no longer *res integra* in view of the majority judgment of the Three Judge Bench of this Court in *Mohan Lal* supra.

10. It was further enquired from the counsel for the plaintiff, that the Designs Act 2000, as per its preamble being an Act to consolidate and amend the law relating to protection of designs, whether not was a complete Code in itself and just like it has been held in relation to Copyright Act 1957, in *The Warner Entertainment Company L.P. V. RPG Netcom* (2007) 140 DLT 758, *Entertainment Network (India) Ltd. Vs. Super Cassette Industries Ltd.* (2008) 13 SCC 30 and *Krishika Lulla Vs. Shyam Vithalrao Devkatta* (2016) 2 SCC 521 and *Navigators Logistics Ltd. Vs. Kashif Qureshi* (2018) 254 DLT 307, that it is a statutory right and no copyright exists outside the statute, why should it not so be held in respect to design also. The reasoning of the Three Judge Bench in *Mohan Lal* (supra) for holding otherwise was also enquired.

11. The counsel for the plaintiff, during the hearing on 14th February 2019 also informed that shape was included as a trade mark for the first time in the Trade Marks Act, 1999. The same led to a further query that, that being a position, how could an action on the ground of passing off in relation to a design or a shape, lie under common law, if under the common law design or shape was not understood as a trade mark. It was enquired, whether there were any judgments of prior to codification of law relating to trade mark, protecting design or shape as a trade mark. Attention of the counsels was also drawn to my judgment in *OK Play India Limited Vs. Mayank Agarwal* (2016) 233 DLT 234, though following the precedent but expressing reservations about rights in a design/shape, outside the Designs Act.

12. The counsel for the plaintiff contended that under the Trade Marks Act of the years 1940 and 1958 also, design/shape was being treated as a trade mark, without it being so expressly provided in the Acts. The counsel for the plaintiff, on 15th February, 2019, in support of shape being a trade mark under the common law, first drew attention to ***SRMB Srijan Private Limited Vs. Shree Gopal Concrete Private Limited*** MANU/WB/0182/2019. However, the same relates to a suit of the year 2019 and does not disclose that shape/design, under the common law of prior to the codification of the law relating to trade marks, was understood as a trade mark.

13. The counsel for the plaintiff next drew attention to ***Apollo Tyres Ltd. Vs. Pioneer Trading Corporation*** 2017 (72) PTC 253 (DEL) to contend that even the tread pattern on a tyre is protected. However, the same also does not reveal recognition in common law of prior to codification, of shape/design as a trade mark.

14. The counsel for the plaintiff next drew attention to Section 27(2) of the Trade Marks Act, 1999 but which merely provides that nothing contained therein shall affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person or the remedies in respect thereof.

15. However, the same also is not found to be an answer to recognition in common law of design/shape as a trade mark.

16. The counsel for the plaintiff then drew attention to paragraph 27 of the majority opinion in ***Mohal Lal*** (supra) disagreeing with the view in ***Tobu Enterprises (P) Ltd. Vs. Joginder Metal Works*** AIR 1985 Del 244 CS(COMM) Nos.903/2018, 905/2016, 906/2016, 1415/2016, 569/2017 & 571/2017 Page 8 of 45

holding that the remedy of passing off action qua a design used as a trade mark is not available. It was held that in order to institute a suit, right has not to be necessarily found in a statute enacted by a Legislature and that unless a statute expressly or by necessary implication prohibited the jurisdiction of a Court to entertain a suit, a Civil Court cannot refuse to entertain a suit. Attention was also invited to *Selvel Industries Vs. Om Plast (India)* MANU/MH/1120/2016 and to *B.K. Engineering Co. Vs. UBHI Enterprises* AIR 1985 Del 210.

17. On 15th February, 2019, I enquired from the counsel for the plaintiff, whether the Five Judge Bench in *Carlsberg Breweries* supra had interfered with the reasoning of the majority opinion in *Mohan Lal* supra as to the maintainability of a passing off action.

18. The counsel for the plaintiff contended, that the reference to the Five Judge Bench in *Carlsberg Breweries* supra was confined to the joinder of causes of action of the suits on the ground of infringement of design and on the ground of passing off.

19. The counsel for the plaintiff, else argued that it is not in dispute (a) that the plaintiff is the first user of the subject shape/design and none of the defendants claim use prior to that by the plaintiff; and, (b) that the shape/design of the subject footwear of the plaintiff and defendants is the same. It was contended that the plaintiff is thus entitled to interim restraint against the defendants, in these suits on the ground of passing off, though has been denied interim injunction in the suits on the ground of infringement of design. Though the counsel for the plaintiff went into some

more detailing on the aspect of interim injunction, but the same will be adverted to, if the suits are found to be maintainable.

20. Finding the defendants in each of the suit to be represented by different advocate/s and being of the opinion that hearing counsels for all the defendant/s would delay hearing and lead to multiplicity, while adjourning the hearing on 14th February, 2019, the counsels for the defendants were requested to confer, with only one of the counsels making the legal submissions, and the other counsels confining their arguments to peculiar facts of their respective case.

21. Mr. Jayant Mehta, Advocate, making legal submissions on behalf of all the defendants on 15th February, 2019, in response to my query contained in para 17 above, at the outset, drew attention to paragraphs 1 to 5, 40 to 42, 44 and 45 of *Carlsberg Breweries* supra.

22. Per paragraph 1, the question referred to in *Carlsberg Breweries* supra was “whether the decision in *Mohan Lal Vs. Sona Paint* 2013 (55) PTC 61 (Del)(FB) – hereafter “*Mohan Lal*” on the aspect of maintainability of a composite suit in relation to infringement of a registered design and for passing off, where the parties to the proceedings are same needs re-consideration by a larger bench in the light of Order II Rule 3 CPC, which permits joinder of causes of action”. Paragraph 2 shows that four of the five judges were in agreement with the conclusions as well as analysis and reasoning of the fifth Judge on the Bench, but the four Judges deemed it necessary to state additional reasons. Paragraph 4 records that *Mohan Lal* decided principally the question, whether a passing off remedy is maintainable in the context of a complaint for infringement of

copyright in the design and notices that one of the questions for adjudication in **Mohan Lal** was “Whether the conception of passing off as available under the Trade Marks can be joined with the action under the Designs Act when the same is mutually inconsistent with that of remedy under Designs Act, 2000?”. Paragraph 5 of the judgment reproduces the reasoning given in **Mohan Lal** for holding that the cause of action for an action for infringement of design and for an action of passing off available under Trade Mark were different.

23. I may at this stage only, also refer to paragraph 20 of **Carlsberg Breweries** supra which shows that the matter was considered under the following two points:-

“(a) Is the court compelled by anything in law to reject a plaint for misjoinder, if two causes of action cannot be clubbed:

(b) Are the two causes of action, i.e. a claim for design infringement and the other for passing off, so disparate or dissimilar that the court cannot try them together in one suit;”

24. The Five Judge Bench, qua the first of the aforesaid points concluded in paras 40 & 41 of the judgment, that the conclusion in **Mohan Lal**, that two causes of action, one for relief in respect of passing off and other in respect of design infringement cannot be joined, was erroneous and overruled the same. Thereafter, the Five Judge Bench, from paragraph 42 onwards, proceeded to decide the second of the aforesaid two points.

25. The contention of the defendants before the Five Judge Bench, qua the second point aforesaid, as recorded in paragraph 42 of the judgment was, that the conclusion in **Mohan Lal** was correct because (i) there are significant differences between the causes of action relating to design

infringement on the one hand and those based on the allegations of passing off on the other hand; (ii) while design infringement is based on a statutory right, passing off is a common law injury; (iii) the basis of former is design of an article for sale, whereas the latter is based on misrepresentation; (iv) a design infringement suit alleges that the design is novel, not based on any previous publication in India, whereas the passing off suit has to establish that the shape or mark has developed substantial goodwill and reputation and adoption of a deceptively or confusingly similar design or shape by the defendants; and, (v) that the defences to the two actions are entirely different. Dealing with the said contentions, the Five Judge Bench in paragraphs 44 and 45 of the judgment held as under:-

“44. A registered design owner, this court notices, facially satisfies the test of novelty (of the product’s design) and that it was not previously published. For registration, the article must contain uniqueness or novelty in regard to elements such as shape, configuration, pattern, ornament or composition of lines of colours applied to any article; further there must be a visual appeal to the article (i.e. the aesthetic appeal). However, if the defendant establishes that indeed there was no novelty, or that a similar design had been published earlier, in the public domain, the infringement claim would be repelled. In respect of a passing off claim distinctiveness of the elements of the mark, its visual or other presentation and its association with the trader or owner needs to be established. The factual overlap here is with respect to the presentation – in the design, it is the novelty and aesthetic presentation; in a passing off action, it is the distinctiveness (of the mark) with the attendant association with the owner. To establish infringement (of a design) fraudulent imitation of the article (by the defendant) has to be proved. Likewise, to show passing off, it is necessary for the owner of the mark to establish that the defendant has misrepresented to the public (irrespective of intent) that its

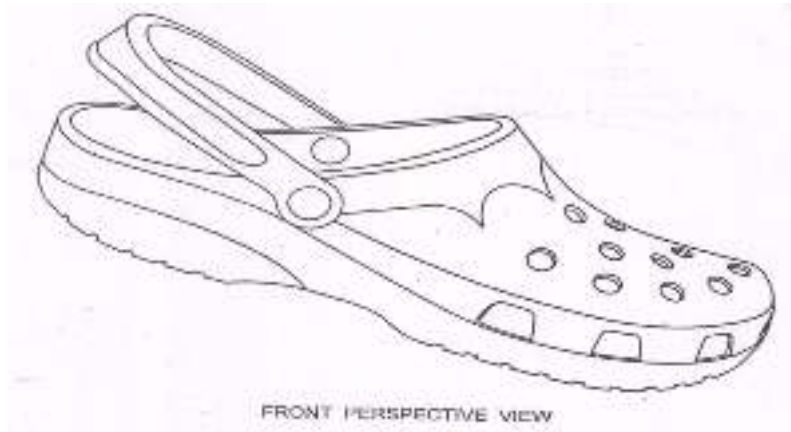
goods are that of the plaintiff's; the resultant harm to the plaintiff's reputation is an actionable claim.

45. This court is also of the opinion that the Full Bench ruling in Mohan Lal (supra) made an observation, which is inaccurate: it firstly correctly noted that registration as a design is not possible, of a trade mark; it, however later noted that "post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being: the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act." This observation ignores that the Designs Act, Section 19(e) specifically exposes a registered design to cancellation when "(e) it is not a design as defined under clause (d) of section 2." The reason for this is that Section 2 of the Designs Act, defines "design" as "...the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article....; but does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958...." Therefore, if the registered design per se is used as a trade mark, it apparently can be cancelled. The larger legal formulation in Mohan Lal (supra), that a passing off action i.e. one which is not limited or restricted to trademark use alone, but the overall get up or "trade dress" however, is correct; as long as the elements of the design are not used as a trademark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a "passing off" claim can include but is also broader than infringement of a trademark, the cause of action against such use lies."

(emphasis added)

26. The counsel for the defendants then drew attention to the design registration of the plaintiff with Annexures as follows:-

“

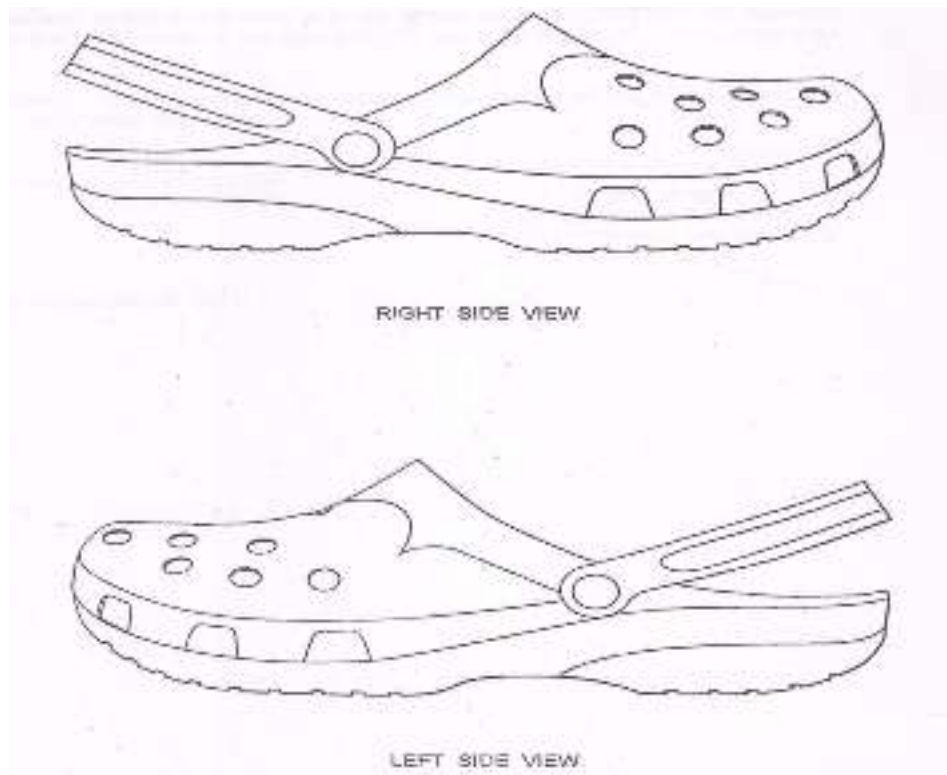


The novelty of the article resides in the shape and configuration of the footwear and in the pattern applied thereto as shown in the accompanying representations.

No claim is made by virtue of this registration in respect of any mode or principle of construction of the footwear.

*F.S. GROSER
of GROSER & GROSER
AGENT FOR THE APPLICANTS*

Date: November 23, 2004

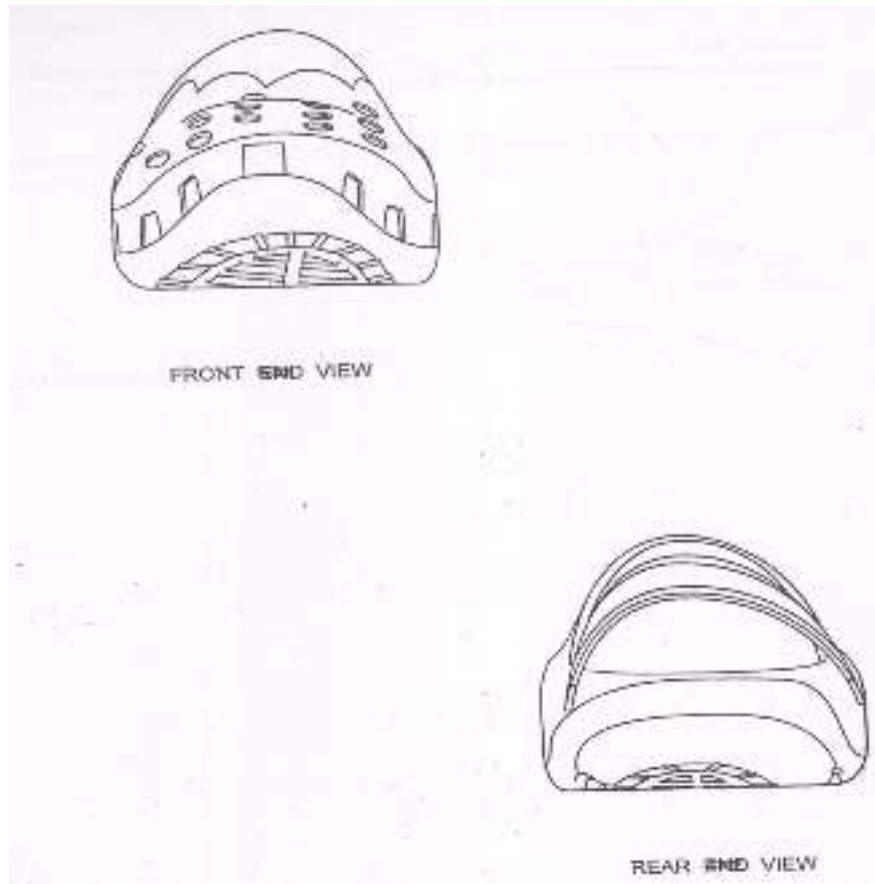


The novelty of the article resides in the shape and configuration of the footwear and in the pattern applied thereto as shown in the accompanying representations.

No claim is made by virtue of this registration in respect of any mode or principle of construction of the footwear.

*F.S. GROSER
of GROSER & GROSER
AGENT FOR THE APPLICANTS*

Date: November 23, 2004

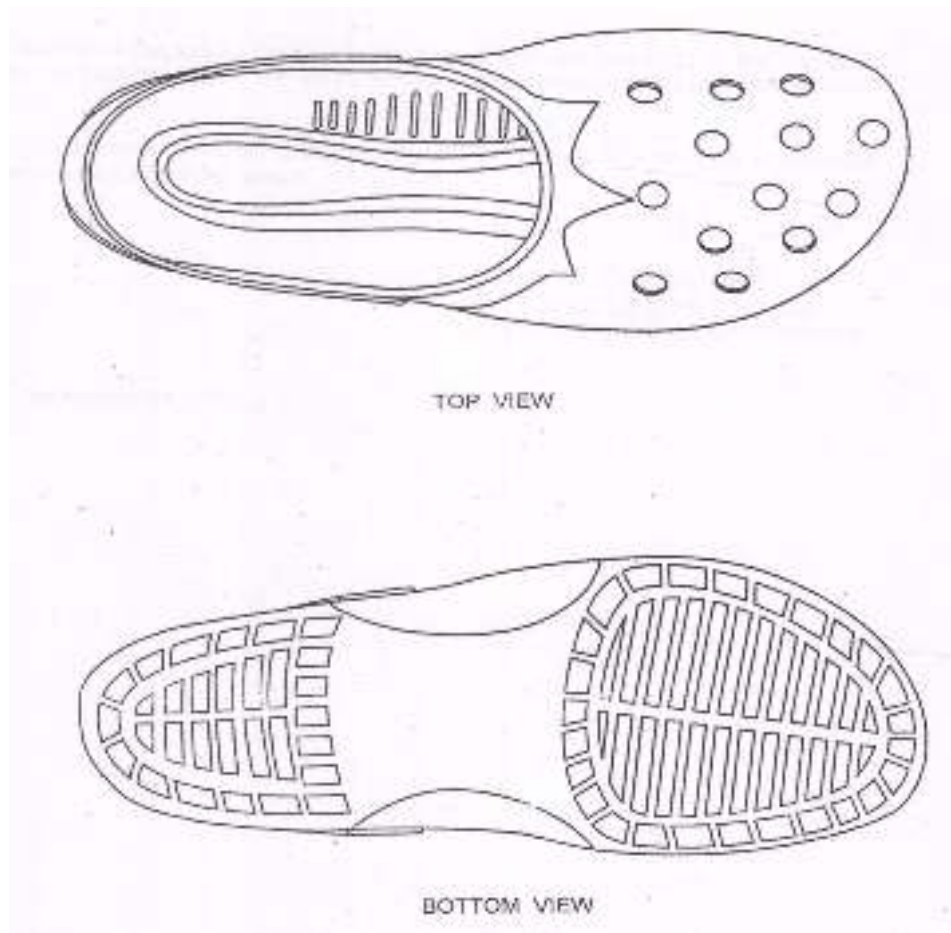


The novelty of the article resides in the shape and configuration of the footwear and in the pattern applied thereto as shown in the accompanying representations.

No claim is made by virtue of this registration in respect of any mode or principle of construction of the footwear.

*F.S. GROSER
of GROSER & GROSER
AGENT FOR THE APPLICANTS*

Date: November 23, 2004



The novelty of the article resides in the shape and configuration of the footwear and in the pattern applied thereto as shown in the accompanying representations.

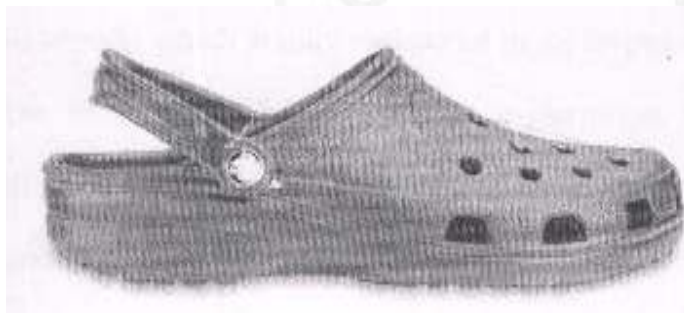
No claim is made by virtue of this registration in respect of any mode or principle of construction of the footwear.

*F.S. GROSER
of GROSER & GROSER
AGENT FOR THE APPLICANTS*

Date: November 23, 2004”

27. The counsel for the defendants, then drew attention to paragraphs 4 to 7 of the plaint as under:-

“4. That in the course of its business, the plaintiff has devised several unique shapes/trade dress in relation to its said goods and business, some of which have become distinctive of the plaintiff’s source, origin and authority. In the year 2004 the plaintiff has conceived and adopted one of such unique shape of its footwear (referred to as said CROCS SHAPE TRADEMARK/TRADEDRESS) and true representation whereof has been given herein below:



5. That the plaintiffs said CROCS SHAPE TRADEMARK / TRADEDRESS is comprised of several distinctive feature which is inclusive of following features:

- (i). The placement unique curved shaped strip on the vamp.*
- (ii). Placement of unique toe box and toe cap.*
- (iii). The unique shaped heel guard, heel guard strap, outer sole, middle sole, clip holding, placement of clogs on the footwear.*
- (iv). The presence of unique space trusstic, heel tip, toe tip at the bottom of the portion of the footwear.*
- (v). The unique compositions of pattern and lines on the top inner side and bottom outer surface of the footwear.*

The plaintiff’s said CROCS SHAPE TRADEMARK / TRADE DRESS is comprised of all of the afore mentioned features both

individually as well as collectively and also as a whole shape of the footwear and shall be referred accordingly in this proceeding.

6. *That in India in the year 29.11.2004 the plaintiff has also applied for obtaining design registration for the said CROCS SHAPE TRADEMARK with priority date as 28.05.2004. The same is registered in India under No.197685 which is duly registered in its favour in India under the Designs Act, 2000. The said design registration is legal, regular and in full force. The renewal in relation to the aforementioned design registration is also duly filed with the Design Office*

7. *That the plaintiff is using the said registered Design as a SHAPE TRADEMARK / TRADE DRESS in relation to its said goods and business. The plaintiff is using the said CROCS SHAPE TRADEMARK as a trademark within the meaning of Sections 2(1)(m) and 2(1)(zb) of the Trade Marks Act, 1999 and is being so used by the Plaintiff in relation to its goods in course of trade. The said CROCS SHAPE TRADEMARK being applied to the footwear of the Plaintiff duly distinguishes it from the source and origin of the Plaintiff and indicates a trade connection with the Plaintiff as proprietor thereof. Thus, the plaintiff's said CROCS SHAPE TRADEMARK / TRADE DRESS is an inherently strong trademark."*

(emphasis added)

28. The counsel for the defendants contended, that per **Carlsberg Breweries** supra, as long as the elements of design are not used as a trade mark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a "passing off" claim can include but is also broader than infringement of a trade mark, the cause of action against such use lies". It was argued, that a passing off action has been held to be maintainable with respect to elements of trade dress and overall get up, other than registered design and not with respect to registered design. It was further argued that the registered design of the plaintiff as per

averments in the plaint takes within its ambit, everything, leaving no larger trade dress get up. It was contended that thus, when passing off is claimed of elements of the design as a trade mark, no passing off action lies. It was contended that paragraph 7 (supra) of the plaint contains an express admission of the plaintiff using the registered design as a shape/trade mark/trade dress and the plaintiff has neither pleaded nor argued as to what is the overall get up and trade dress beyond the registered design, qua which passing off is claimed. It was argued that no additional features qualifying as trade dress, which are not part of the registered design, have been pleaded or pointed out.

29. The counsel for the defendants next drew attention to paragraph 1:28 of McCarthy on Trademarks and Unfair Competition 4th Edition opining that when a competitor claims exclusive rights in a product shape by invoking the rules of trade dress law, the hovering presence of patent laws counsels a strict adherence to the requirements of trade dress validity and infringement, lest a backdoor patent be granted under the guise of trade dress law. It was contended that if what is registered as a design is also given protection as a trade mark, it would not only run counter to the rights for a limited period in a design but through a backdoor permit rights as a trade mark which are not registrable under the Designs Act. Reference was also made to *Publication International Ltd. Vs. Landoll* 164 F.3d 337 [7th Cir. 1998] but which is found to be of no relevance on the aspect of maintainability of the suit though may be of relevance on the aspect of interim injunction.

30. The remaining arguments of Mr. Jayant Mehta, Advocate common to all suits, were on the aspect of interim injunction, which will be adverted to later, if need arises. Similarly, the arguments of counsel for the defendant/s peculiar to each of the suits were with respect to interim relief and will be adverted to later, if need arises.

31. The counsel for the plaintiff, in rejoinder on the aspect of maintainability contended on 15th February, 2019, (i) that the definition of 'mark' in Section 2(m) of the Trade Marks Act includes shape of goods; (ii) that Section 2(d) of the Designs Act defines shape as meaning only the features of shape etc. which in the finished article appeal to and are judged solely by the eye but does not include any trade mark; (iii) that the bar to a design being a trade mark is contained in the Designs Act and not in the Trade Marks Act; (iv) that the Trade Marks Act does not say that if the shape is registered as a design, it cannot be a trade mark; (v) that thus the cancellation can be only of a design, if it is a trade mark and not of the trade mark; and, (vi) that the concurring opinion of one of the five Judges in ***Carlsberg Breweries*** supra and with which the other four Judges have expressed agreement, in paragraph 67 proceeds on complete identity of subject matter of passing off and infringement of design, as distinct from overall get up and trade dress not constituting a design, as held by the four Judges in paragraph 45 supra of ***Carlsberg Breweries***.

32. On the counsel for the plaintiff submitting so, it was enquired from the counsel for the plaintiff, whether it was permissible to the plaintiff to take mutually inconsistent pleas and that once it is accepted that there can be no passing off in relation to a registered design and it is contended that it

is the design which is liable to be cancelled, whether not the plaintiff is required to elect, whether to proceed with its claim against the defendants, of infringement under the Designs Act or on the ground of passing off and how is it open to the plaintiff to, after contending that it is only the design which is liable to be cancelled and not the trade mark, claim rights as a design as well as a trade mark.

33. The senior counsel for the plaintiff today, in furtherance has contended (a) that the reference to five judge bench in ***Carlsberg Breweries*** supra was confined to, whether passing off action simultaneously with the infringement of design action is maintainable; (b) that ***Carlsberg Breweries*** supra is thus not a judgement on what is attributed to it by the counsel for the defendants; (c) that what is attributed by the counsel for the defendants to the opinion of the four Judges in ***Carlsberg Breweries*** supra is same as what was the minority opinion in ***Mohan Lal*** supra, holding that no passing off action is maintainable; (d) that the plaintiff is thus not required to elect, as was suggested on 15th February, 2019; (e) attention is invited to paragraphs 19, 20.1, 20.2, 21 & 22 of majority opinion ***Mohan Lal*** supra; (f) that four Judges, in ***Carlsberg Breweries***, in paragraph 45 supra held the observation in the majority opinion in ***Mohan Lal***, “post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trade mark by the registrant of the design. The reason being: the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act”, to be erroneous; (g) that the said observation is to be found in paragraph 22.8 of ***Mohan Lal*** supra but the said observation was only about registration and not about passing

off, and thus ***Carlsberg Breweries*** supra cannot be interpreted as holding that there can be no passing off action in relation to a shape trade mark; (h) that there is no property right in any trade mark and no property right is conferred even by registration of a trade mark; reliance in this regard is placed on ***Mind Gym Limited Vs. Mindgym Kids Library Private Limited*** 2014 SCC OnLine 1240 holding that a passing off action is a remedy for the invasion of a right of property, not in the mark, name or get up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person's goods as the goods of another; goodwill, as the subject of property rights, is incapable of subsisting by itself; it has no independent existence apart from the business to which it is attached; it is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each; (i) that the construction placed by the defendants on the passages aforesaid of ***Carlsberg Breweries*** is perverse; (j) that the mere fact that the opinion of the four Judges in ***Carlsberg Breweries*** affirms the majority opinion in ***Mohan Lal***, is sufficient to held that a passing off action is maintainable relating to a design; and, (k) that merely because each of the defendants, while copying the design of the plaintiff, instead of the brand name of the plaintiff put their own brand name on the product, does not defeat the action for passing off as was suggested by the counsel for the defendants in his arguments on merits in opposition to the application for interim relief; in para 28 of ***Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*** AIR 1965 SC 980 it was held that added matter is irrelevant.

34. The counsel for the plaintiff has added, that this Court in ***Colgate Palmolive Company Vs. Anchor Health and Beauty Care Pvt. Ltd.*** 2003 (23) PTC 478 (Del) has held that “trade dress involves the total image of a product and may include features such as size, shape, colour combinations, texture, or graphics” and held that trade dress protection is broader in scope than trade mark protection, both because it protects aspects of packaging and product design that cannot be registered for trade mark protection and because evaluation of trade dress infringement claim requires the Court to focus on the plaintiff’s entire selling image, rather than the narrower single facet of trade mark. Reference is also made to paragraph 7.25 of McCarthy on Trademarks and Unfair Competition 3rd Edition Vol. I opining that the term trade dress has now been stretched to include the shape and design of the product itself; the field of law once referred to as unfair competition by product simulation, has now been folded into that corner of trademark and unfair competition law called “trade dress”; the prior distinction between ‘package’ or ‘container’ and ‘product configuration’ has become blurred. Reference is also made to ***N. Ranga Rao and Sons Vs. Anil Garg*** 2006 (32) PTC 15 (Del), referring to ***Kellogg Company Vs. Pravin Kumar Bhadabhai*** 1996 PTC (16) 187 and ***Schweppes LD Vs. Gibbens***, (1905) 22 RPC 601 holding that “broad dissimilarities need to be compared” and finally referring to ***Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd.*** (2001) 5 SCC 73 holding that “what has to be seen in the case of passing-off action is the similarity between competing marks” and concluding that ***Schweppes LD*** supra to be not good law. Reference was finally made to paragraph 8.02 of Vol. I, 3rd Edition of McCarthy supra

opining that intentional copying of trade dress is surrogate evidence of secondary meaning.

35. The remaining arguments of counsel for the plaintiff, again were on merits and which will be adverted to if need for determination thereon arises.

36. The counsel for the defendants has added, (I) that the passages of *Carlsberg Breweries* supra reproduced above “flow in context”; (II) that unless the relief of passing off in relation to design is restricted as has been held in *Carlsberg Breweries* in the passages quoted above, it will result in “evergreening of design”; and, (III) that if a shape of good/product is registered as a trade mark, under Section 2(d) of the Designs Act, it cannot be registered as a design and to hold, that if it is vice-versa, an action for passing of would be maintainable, would amount to conferring rights better than as may be available by registration and the same has been negated in *Carlsberg Breweries*.

37. As would be evident from the aforesaid contentions, the counsel/senior counsel for the plaintiff have been unable to controvert the argument of the counsel for the defendants that the plaintiff is alleging passing off by the defendants of their goods as that of the plaintiff by copying the registered design of the plaintiff and nothing else and that reliefs on the ground of infringement of design as well as on the ground of passing off are on the same facts. The plaintiff, from its pleadings has been unable to point out any other feature/element or part of the larger trade dress, get up of the product of plaintiff, other than the elements of its

registered design, by adopting which the defendants are passing off their goods as that of the plaintiff. What is thus for adjudication is:

- (A) Whether a registered design of a plaintiff can constitute a trade mark to confer on such plaintiff a right to restrain another, not on the ground of infringement of its design but on the ground of passing off its goods as that of the plaintiff by adopting the registered design of the plaintiff, or to confer on such plaintiff a right to restrain another on the ground of both, infringement of design and passing off; and,
- (B) Whether the passages quoted above of *Carlsberg Breweries* adjudicate the said controversy and even if the answer is in the affirmative, whether the said passages are contrary to *Mohan Lal* and if so to what effect.

38. In my opinion, a registered design confers on the registrant, only the right to restrain another from infringing the design and not to, also claiming the registered design as its trade mark/trade dress, restrain another from passing off its goods as that of the registrant, by copying the registered design. My reasons for concluding so follow:-

- A. A perusal of the statement of objects and reasons for enactment of the Designs Act, 2000 shows the same to have been enacted with the objective of balancing the interest in, on the one hand ensuring effective protection to registered designs and to promote design activity in order to promote the design element in an article of production and on the other hand “to ensure that the law does not unnecessarily extend protection

beyond what is necessary to create the required incentive for design activity, while removing impediments to the free use of available designs.”

- B. The Designs Act, 2000, as per its preamble is an act to consolidate and amend the law relating to protection of designs and came into force on 11th May, 2001, when though the Trade Marks Act, 1999 had been enacted but not come into force (it came into force subsequently on 15th September, 2003). Use of the words “to consolidate and amend” indicate the Act to be a complete code in itself relating to the law of designs.
- C. The Designs Act, in the definition Section 2(d) thereof defines ‘design’ as meaning “only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article....which in the finished article to appeal to and are judged solely by the eye; but does not include....any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 (43 of 1958) or property mark as defined in section 479 of the Indian Penal Code (45 of 1860) or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957 (14 of 1957)”.
- D. As per the definition of design in the Designs Act, if the feature of shape, configuration, pattern, ornament or composition of lines or colours applied to any article is being used as a trade mark, it cannot be registered as a design.

E. While Section 2(1)(v) of the 1958 Act relating to trade marks defined ‘trade mark’ as under:

“2(1)(v) “trade mark” means—

- (i) in relation to Chapter X (other than section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark; and*
- (ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to sue the mark whether with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII”*

Section 2(1)(zb) of the 1999 Act relating to trade marks defines ‘trade mark’ as under:

“2(1)(zb) “trade mark” means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and

- (i) in relation to Chapter XII (other than section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and*

some person having the right as proprietor to use the mark; and

- (ii) *in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark”*

Chapter X referred to in 1958 Act and Chapter XII referred to in 1999 Act, both relate to offences, penalties and procedure and are thus not applicable.

- F. Both provisions aforesaid use the word ‘mark’ and which in the 1958 Act was defined in Section 2(1)(j) thereof as including “a device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof” and in Section 2(1)(m) of the 1999 Act is defined as including in addition “shape of goods, packaging or combination of colours”.
- G. It will thus be seen that save for the difference in the definition of ‘mark’, there is no other difference found in the definition in the 1958 Act and in the 1999 Act of a trade mark.
- H. I have wondered, whether owing to the shape of goods being not included in the definition of ‘trade mark’ in the 1958 Act

which was in force when the Designs Act came into force with the definition aforesaid of design, the prohibition to a trade mark being a design does not apply to shape trade mark i.e. though any other kind of trade mark cannot be a design, a shape trade mark can be a trade mark as well design and protection is available as both.

- I. It is however the contention of the counsel for the plaintiff itself that even prior to the 1999 Act i.e. under the 1958 Act, shape, configuration, pattern, ornament or composition of lines or colours applied to any article was treated as a trade mark and on another adopting the same, an action on the ground of passing off or infringement was maintainable. Going by the said contention, the change in the definition of 'trade mark' from that in 1958 Act to that in 1999 Act would be immaterial.
- J. Even otherwise, the consistent principle of construction of statutes and enunciated, earlier in Section 38 of the Interpretation Act, 1850 and reiterated in some modification in Section 8 of the General Clauses Act, 1897 is, that where any statute is re-enacted with or without modification, then reference in any other statute to any provision of the repealed statute, unless a different intention appears, has to be construed as a reference to the provision so re-enacted. Reliance, if any required in this context, can be placed on *National Sewing Thread Co. Ltd. Vs. James Chadwick and Bros. Ltd.* AIR 1953 SC 357, *State of Uttar Pradesh Vs. M.P. Singh* AIR

1960 SC 569, *The Senior Electric Inspector Vs. Laxmi Narayan Chopra* AIR 1962 SC 159, *K.P. Varghese Vs. Income Tax Officer, Ernakulam* (1981) 4 SCC 173 and *Sales Tax Officer, Kanpur Vs. Union of India* 1995 Suppl. (1) SCC 410. I am unable to find anything in the Designs Act to indicate that the reference therein to the 1958 Act was not, in accordance with the said general principle, intended as reference to the re-enacted 1999 Act.

- K. Further, if it were to be held that while one category of trade marks cannot be registered as a design, another category of trade marks can be so registered and enjoy protection, both as a trade mark and as a design, the same would amount to, without any reason, discriminating between two kinds of trade mark.
- L. Thought has also crossed my mind that even if the contention of the counsel for the plaintiff, of shape being protected as a trade mark under the common law, though no case law has been shown in this regard, were to be correct, whether the meaning of trade mark in an action of passing off can be wider than the meaning of trade mark in the 1958 Act or the 1999 Act relating to Trade Marks; since the bar in Section 2(d) supra to design being not a trade mark is with reference to definition thereof in the 1958 Act. It was so suggested by Senior counsel for plaintiff by contending that the observations in para no.22.8 of majority opinion in *Mohan Lal* supra was “only about registration and not about passing off”. However, the answer

thereto is to be found in Section 27 of the 1958 Act as well as 1999 Act and which remains unchanged. The same, though provides that no proceedings with respect to infringement of an un-registered trade mark lie but also provides that the fact that no proceedings for infringement can lie would not affect the rights of action for passing off or the remedies in respect thereof. Section 27, while so providing, does not separately define trade mark for an action of passing off and the definition of trade mark, whether in an action for infringement or in an action for passing off would be the same i.e. as in Section 2(1)(v) of the 1958 Act and as in Section 2(1)(zb) of the 1999 Act. I am thus unable to accept the contention of senior counsel for the plaintiff that *Carlsberg Breweries* supra holds as erroneous only the observation in *Mohan Lal* supra “about registration and not about passing off”.

- M. The contention of the counsel for the plaintiff, that owing to the prohibition of a design being a trade mark being contained in the Designs Act and the absence of any prohibition in the Trade Marks Act to a design being a trade mark, in an action for infringement of a trade mark or passing off, it is irrelevant that what is claimed as a trade mark is registered as a design, cannot be accepted. The intention of the Legislature is clear from the prohibition contained in the Designs Act, and to accept the contention of the counsel for the plaintiff would defeat the legislative intent and the legislative intent in

enactment of the statute has to be respected. Once the legislative intent is that a trade mark cannot be a design, the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article, even if used as a trade mark, cease to be a trade mark on registration being granted to the same as a design, and a registrant is to be deemed in law to have surrendered, abandoned, acquiesced and waived all rights to use such features as a trade mark. Else, there would be an anomalous situation, with there being in existence a prohibition to use a trade mark as a design but there being no prohibition to use of a design as a trade mark and such anomaly cannot be attributed to any law making authority. A prohibition contained in one statute has to be given effect to, while interpreting all other statutes.

- N. The Full Bench of the High Court of Bombay recently in *Shivram Dodanna Shetty Vs. Sharmila Shivram Shetty* 2016 SCC OnLine Bom 9844, while interpreting the provisions of the Hindu Marriage Act, 1955 and the Family Courts Act, 1984, held it to be a well settled rule of interpretation that if one construction leads to a conflict, whereas on another construction, two Acts can be harmoniously constructed, then the later must be adopted; on such interpretation, the object of both the enactments would be fulfilled and there would be no conflict. The Full Bench of this Court also in *Joginder Kumar Singla Vs. Govt. of NCT of Delhi* (2005) 117 DLT 220, while

dealing with the provisions of the Delhi Development Act, 1957, and the Delhi Municipal Corporation Act, 1957, held that it is the duty of the Courts to avoid a head on clash between the provisions in two Acts and to construe the provisions which appear to be in conflict with each other in such a manner as to harmonise them so that the purpose and object of the legislation is achieved. Supreme Court, in *State of Goa Vs. Western Builders* (2006) 6 SCC 239 held that when two enactments are overlapping each other on the same area, then courts should be cautious in interpreting those provisions; it should not exceed the limit provided by statute; the extent of exclusion is however, really a question of construction of each particular statute and general principles applicable are subordinate to the actual words used by legislature; if two Acts can be read harmoniously without doing violation to the words used therein, then there is no prohibition in doing so. Else, in *Tata Consultancy Services Vs. State of Andhra Pradesh* (2005) 1 SCC 308 it was reiterated that the Courts will reject that construction which will defeat the plain intention of the legislature even though there may be some inexactitude in the language used; reducing the legislation futility shall be avoided and in a case where the intention of the legislature cannot be given effect to, the Courts would accept the bolder construction for the purpose of bringing about an effective result. It was further held that the Courts, when rule of purposive construction is gaining momentum, should be very reluctant to

hold that Parliament has achieved nothing by the language it used when it is tolerably plain what it seeks to achieve.

- O. That brings me to the argument of the senior counsel for the plaintiff of, the action in passing off being not based on any rights in a trade mark but on deception, misrepresentation and usurpation of goodwill. The senior counsel for the plaintiff, by contending so sought to dis-associate the action brought by these suits from the law relating to trade mark and in response where to, the counsel for the defendants referred to McCarthy supra opining, that “copying is not only good, it is a federal right—a necessary complement to the patent system’s grant of limited monopolies...effective competition and the penumbra of the patent laws require that competitors be able to slavishly copy the design of a successful product” and that business people “erroneously equate competition by copying with unfair conduct....but federal law encourages wholesale copying, the better to drive down prices. Consumers rather than producers are the objects of the law’s solicitude”.
- P. On deeper consideration, I am unable to accept the said contention also of the senior counsel for the plaintiff. The action for misrepresentation and deception, as the senior counsel for the plaintiff qualifies an action in passing off, is after all in protection of some right and which right, is as the first adopter of the mark. The purport of the law of trade marks, whether in an action for passing off or infringement, is

to secure the rights of the first adopter. Goodwill is also a right and there can be no goodwill dis-associated from the features of shape, configuration, pattern, ornament or composition of lines of colours applied to any article divorced from that article or product. Thus, irrespective of whether there are any property rights in a trade mark, protection, in an action for passing off, is sought of a trade mark. Moreover, once the law relating to trade marks has been codified, saving the action for passing off in respect of unregistered trade marks, it is not open to contend that an action for passing off is divorced from rights as a trade mark. I am also not convinced that trade mark is not a property. Trade mark is a species of non-tangible properties which have come to be known as ‘intellectual property’ and rights wherein are known as ‘intellectual property rights’. Intellectual properties today, in twenty first century, are far more valuable than tangible properties. *Mind Gym Limited* supra referred to by the senior counsel for the plaintiff merely quotes a passage from *Star Industrial Co. Ltd. Vs. Yap Kwee Kor* 1976 FSPLR 256 and which in turn refers to the dicta in *Attorney General Spalding & Bros. Vs. A.W. Gamage Ltd.* (1914-15) All ER Rep 147 pronounced in the era of tangible properties. We are today living in the world of even banks accepting intellectual properties as security for advancing finance!

- Q. The Legislature in its wisdom choose to legislate separately for features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article, which were earlier construed as trade mark and protected so, by enacting the Designs Act, 2000 and granting protection to them for a maximum period of 20 years. To hold, that though the legislative intent is to protect such features from use by another, for a limited period of 20 years only and to after the expiry of the said 20 years, allow the same to be used by others, the said features, though not permitted to be used as a trade mark during the period of registration, after the said period qualify as a trade mark and are protected from use by other, would again, in my opinion, defeat the legislative intent. Just like the legislature, deemed it appropriate to grant / allow patent rights for a limited period, and not in perpetuity, like trade mark, similarly the legislature having deemed it appropriate to allow / grant limited period exclusivity to designs, which also qualify as trade marks, the limited period protection cannot be extended to protection in perpetuity.
- R. In my view, the only inference from a harmonious reading of the law relating to trade mark and the law relating to designs is, that what is registered as a design cannot be a trade mark, not only during the period of registration as a design but even thereafter.

- S. However it still remains to be seen, whether the conclusion I have reached above is contrary to the majority view in ***Mohan Lal*** supra. Because, if it is so, then what I have concluded will merely be my rumblings and I will continue to be bound by the dicta of the larger bench.
- T. The reference to the larger bench in ***Mohan Lal*** supra was *inter alia* on “whether there can be an availability of remedy of passing off in absence of express saving or preservation of the common law by the Designs Act, 2000 and more so when the rights and remedies under the Act are statutory in nature”. The majority concluded in para no.22, (I) that a design can be used as a trade mark and if by virtue of its use, goodwill is generated in the course of trade or business, it can be protected by an action in the nature of passing off; (II) a design which is registered under the Design Act may not have the statutory rights which a registered trade mark has under the Trade Marks Act, but it would certainly have the right to take remedial steps to correct a wrong committed by a defendant by instituting a passing off action; however if such an action is instituted, the plaintiff would have to demonstrate that the registered design was used by him as a trade mark which, in the minds of the purchasing public is associated with his goods or services which, have acquired goodwill/reputation which is worth protecting. While giving reasons in paragraphs 22.1 to 22.8 of the judgment as reported in 2013 (55) PTC 61 (Del) (FB) for

the said conclusion, (a) reliance in paragraph 22.2 was placed on McCarthy, in turn referring to foreign judgments not in the context of the Indian statutes aforesaid and I do not find in the subsequent paragraphs any reason as to how the foreign view/judgment applied in the Indian context; (b) in paragraph 22.4, it was observed, that though once the statutory period of registration of a design expires, it falls in public domain and anyone can use the same but only if ensures that there is no confusion caused as to the source and origin of the goods and services; (c) in paragraph 22.6, it was added that “this logic applies based on the principle that trade mark is something which is extra, which is added on to the goods to denote origin, while a design forms part of the goods”; (d) in para no.22.7, reference was made to *Smith Kline & French Laboratories Ltd. Vs. Sterling-Winthrop Group Ltd.* (1975) 1 W.L.R. 914 holding “A design forms part of the goods themselves. A trade mark is something which is extra, which is added to the goods for the purpose of denoting the origin of the goods, and, speaking generally of trade mark and design, the same thing is not a trade mark and a design” and, “the “extra” added to the goods is the colour applied to one half of the capsule and the various colours applied to the individual pellets within the capsules”; and, (e) finally, in paragraph 22.8, it was reasoned that though having regard to the definition of a design in the Designs Act, “it may not be possible to register simultaneously the same mater as a design and a trade mark. However post

registration under Section 11 of the Designs Act, there can be no limitation on its use as a trade mark by the registrant of the design”.

- U. Paragraph 22 of the majority opinion in *Mohan Lal* supra to which alone attention was invited, cannot be read *de hors* the reasons given in paragraphs 22.1 to 22.8 thereunder. A closer scrutiny of said reasons shows that the conclusions recorded in paragraph 22 are not absolute.
- V. A closer reading of the majority opinion in *Mohan Lal* shows the same also to be holding that what is usable and protectable as a trade mark is “something extra” or more than what is registered as a design. The majority opinion in *Mohan Lal* supra cannot be read as holding what is registered as a design, can also be used as a trade mark and is protectable as a trade mark. What is generally believed by the legal community as the majority view in *Mohan Lal* supra, is thus not found on a detailed reading of the judgment and is perhaps on a “general impression” of the judgment.
- W. The plaintiff in the present case has not been able to show any extra, besides the design, which is used as a trade mark.
- X. As far as the conclusion, in majority opinion in *Mohan Lal* supra, in paragraph 22.8, of a design being usable as a trade mark post registration is concerned, I may add that, in my opinion, the goodwill acquired during the period of registration, when there is a statutory bar to its use as a trade mark, cannot

be considered and in my opinion anyone claiming protection as a trade mark will have to show the rights as accruing with effect from post registration. In the present cases however we are not concerned with the said question inasmuch as the registrations as design in favour of plaintiff are still valid.

Y. I thus answer the first of the aforesaid questions by holding that, a registered design cannot constitute a trade mark; however if there are features other than those registered as a design and are shown to be used as a trade mark and with respect where to goodwill has been acquired, it is only those extra features which can be protected as a trade mark. A registrant of a design would thus be entitled to maintain an action for passing off against other, not by showing that such another has adopted the registered design of the registrant but by showing that the product of such registrant, besides the registered design, also has other/extra features and goodwill in respect where of has accrued and which extra features have been adopted / copied by another. For copying registered design however, only an action for infringement under the Designs Act would lie.

39. The present suits are premised on the registered design also constituting a trade mark *per se* and thus are not maintainable as per **Mohan Lal** supra also. The plaintiff has not pleaded anything extra, other than the registered design, which is used and has goodwill as a trade mark and which can be protected in these actions for passing off.

40. Though in view of analysis of ***Mohan Lal*** supra and as per which also the present suits are not maintainable, the need to delve into the second question formulated above does not arise but for the sake of completeness, I proceed to adjudicate the same.

41. As would immediately be obvious at this stage, the passage of ***Carlsberg Breweries*** supra quoted above do not lay down anything different from what was held by the majority in ***Mohan Lal*** supra. The four of the five Judges of the Five Judges Bench in ***Carlsberg Breweries*** supra when observed that “the larger legal formulation in ***Mohan Lal*** supra that a passing off action i.e. one which is not limited or restricted to trade mark use alone, but the overall get up or “trade dress” however, is correct” have also analysed ***Mohan Lal*** supra as done by me above and which is amply clear from the words immediately following i.e. “as long as the elements of the design are not used as a trade mark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a “passing off” claim can include but is also broader than infringement of a trade mark, the cause of action against such use lies” which are nothing but echoing paragraphs 22.6 and 22.7 of the majority opinion in ***Mohan Lal*** supra. Paragraph 45 of ***Carlsberg Breweries*** supra thus cannot be held as striking a different note than majority view in ***Mohan Lal*** supra.

42. Thus, ***Carlsberg Breweries*** supra is not contrary to the majority opinion in ***Mohan Lal*** supra.

43. However, even if it were to be otherwise, the consistent view is that even the *obiter dictum* of a Full Bench is entitled to a great weight and the binding effect of a prior decision does not depend upon, whether a

particular argument was considered therein or not, provided that the point with reference to which argument was subsequently advanced was actually decided. Reference in this regard may be made to ***Philip Jeyasingh Vs. The Joint Registrar of Co-operative Societies, Chidambaranar Region, Tuticorin*** 1992 SCC OnLine Mad 30.

44. I have already noted above that the four judges in ***Carlsberg Breweries***, per paragraph 20 thereof, considered the reference under two heads, the second of which is “are the two causes of action, i.e. a claim for design infringement and the other for passing off, so disparate or dissimilar that the court cannot try them together in one suit”. Paragraphs 44 & 45 of the judgment quoted above are in the context of answering the said point and it cannot be said that are beyond the reference.

45. The Division Bench of the High Court of Bombay, in ***Naseemunisa Begum Vs. Shaikh Abdul Rehman*** 2001 SCC OnLine Bom 234, while disagreeing with the contention that the issue referred to the Full Bench being a limited one, the other matters which are described by the Full Bench were not covered in that issue and therefore decision given by the Full Bench is not binding on a smaller bench, reasoned that the decision given by the Full Bench is always binding on the smaller benches and it is not proper for the smaller benches to go into the question whether the Full Bench was called upon to decide those issues and the decision given by the Full Bench cannot be called as obiter dicta because all relevant questions had to be considered before giving a decision on the point referred to the Full Bench. Reliance was placed on ***Pabitra Mohan Dash Vs. State of Orissa*** (2001) 2 SCC 480. To the same effect is the view of the High Court

of Calcutta in *Sunil Kumar Das Vs. Director of Public Instruction, W.B.* 2010 SCC OnLine 2218. I respectfully agree and hold that even if passages in *Carlsberg Breweries* supra relied upon by the counsel for the defendants were to be held to be beyond the reference, I would still remain bound and decide in accordance therewith.

46. It being not in dispute that the passing off pleaded in the plaint is by use by the defendants of what is registered by the plaintiff as a design, in terms of *Mohan Lal* as well as *Carlsberg Breweries* supra, the same is not permissible in law. The suits thus, as per averments in the plaints therein, are not maintainable and liable to be dismissed.

47. The suits having been held to be not maintainable, the need to deal with the claim for interim injunction therein, though arguments were heard thereon also, does not arise.

48. Resultantly, the suits are dismissed.

49. The counsel for the defendants, during his arguments had also contended that costs as applicable to commercial suits should follow.

50. I have considered the aforesaid request but am not inclined to accede to the same because of the state of law, as aforesaid. It cannot be said that the plaintiff was not *bona fide* agitating its rights on the ground of passing off. Law indeed on the subject was in a state of flux. All counsels have argued on the premise of *Mohan Lal* supra permitting an action for passing off in respect of a registered design. This indeed is the general impression held by nearly all. Clarity and certainty has emerged only from *Carlsberg Breweries* supra and from reading of reasons in paras no.22.1 to 22.8 supra

for conclusions reached by majority in para no.22 of *Mohan Lal* supra which are indeed widely worded. Thus, no costs. However, if the plaintiff pursues its claim on the ground of passing off further, it shall be open to the defendants to, before the Appellate Court contend that the defendants, in the event of succeeding in the appeal, are entitled to costs of the suits also.

Decree sheet be drawn up.

FEBRUARY 18, 2019

ak/bs..

(corrected and released on 5th March, 2019)

RAJIV SAHAI ENDLAW, J.

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