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Application Nos.3272 & 3273 of 2021
in C.S.No.677 of 2016

N.ANAND VENKATESH,J.,

The defendant in the suit has filed both these applications and since the issue involved is common, both the applications are taken up together and this common order is passed.

2.The respondents/plaintiffs have filed the suit against the applicant alleging infringement of the plaintiff's copyright in their design pertaining to VIDIEM "AIR" Frameless Gas Stove sold under the brand name Butterfly and have sought for various reliefs against the applicant.

3.During the pendency of the above suit, these applications came to be filed by the applicant. Application No.3272 of 2021 has been filed for a direction to the Controller of Design and Patents to decide the cancellation petitions filed by the applicant against the respondents and pass final orders expeditiously. Application No.3273 of 2021 has been filed to stay the proceedings in the suit till the disposal of the cancellation petitions by the Controller of Design and Patents.



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4. Heard the learned Senior Counsel for the applicant/defendant and the learned counsel appearing on behalf of the respondents/plaintiffs.

5. The above applications have been filed mainly on the ground that the applicant had initiated cancellation proceedings as early as on 26.09.2016 against five registered designs of the respondents before the Controller of Design and Patents, Kolkata and the final decision in the cancellation proceedings will have a direct bearing in the present suit. If ultimately, the designs of the respondents are interfered, nothing much will survive warranting continuation of trial in the suit. Therefore, the applicants are seeking appropriate directions from this Court, so that, some time limit can be fixed for passing final orders in the cancellation proceedings and the proceedings in the suit can be kept in abeyance awaiting the final orders.

6. The learned counsel for the applicant submitted that Section 19 of the Designs Act, 2000 (herein after called as "Act") deals with cancellation of registration and that the applicant has initiated the



cancellation proceedings only under this provision. The learned counsel further relied upon Section 22 (3) and (4) of the Act and submitted that every ground on which the cancellation of design can be sought for under Section 19 of the Act, can be taken as a defence in the pending suit and such a defence has also been taken by the applicant in the written statement. However, the cancellation proceedings are pending from the year 2016 onwards and hence the concerned authority can be directed to pass orders and that will enable this Court to take a final decision as to whether the parties will have to go for a trial.

7.The learned counsel for the applicant further submitted that the applicant initiated the cancellation proceedings within seven days from the date of filing of the suit and only thereafter, counter affidavit was filed in the pending applications and written statement was filed in the suit. The trial is yet to commence in the suit and therefore, it will be more appropriate to issue directions to the concerned authority to pass final orders within a stipulated time and till then, the proceedings in the suit can be kept in abeyance.



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8. The learned counsel for the applicant further submitted that even though there is no specific provision in the Act for staying the proceedings in the suit, parallels can be drawn from the relevant provisions under the Trade Marks Act. The learned counsel in order to substantiate his submissions also relied upon the following orders:

- a) ***Aloys Wobben and Others vs. Yogesh Mehra and Others***
reported in **2014 (59) PTC 1 (SC)**.
- b) ***Skol Brreweries Ltd vs. Som Distilleries & Breweries Ltd***
[SLP No.34285-34286]
- c) ***Maya Appliances Pvt. Ltd. vs. Preethi Kitchen Appliances***
Pvt. Ltd & Another [SLP No.28061-28063 of 2019]

9. Per contra, the learned Senior Counsel appearing on behalf of the respondents apart from reiterating the stand taken in the counter affidavit, submitted that the applicant has taken a specific defence with regard to the validity of the registration of the designs granted in favour of the plaintiffs in the written statement and the same will be an issue before this Court and therefore, there is no requirement for this Court to wait for the orders of the Controller of Designs and Patents. It



was further submitted that the legislature has consciously omitted to provide for a provision for staying the proceedings like the one that is available under the Trade Marks Act and hence, there is no scope for exercising a jurisdiction that is not provided under the Act. The learned Senior Counsel further submitted that this Court exercising its jurisdiction as a commercial division, cannot issue directions to an authority situated outside the territorial jurisdiction at Kolkata and the same will be beyond the jurisdiction of this Court. The learned Senior Counsel further submitted that the pleadings are complete and hence, this Court can proceed further to frame the issues and fix time lines for the completion of trial. Thereafter, while finally dealing with the suit, the issue regarding the validity of the registered designs granted in favour of the plaintiffs can also be gone into by this Court. The learned Senior Counsel submitted that the present applications have been filed only to drag on the proceedings. The learned Senior Counsel in order to substantiate his submissions relied upon the following judgments:

- a) ***Add Print (India) Enterprises Private Limited vs. Mohan Impressions Pvt. Ltd*** reported in ***AIR 2013 Mad 54***.
- b) ***Rotomac Pens Ltd. vs. Milap Chand & Co.*** reported in ***1999 (19) PTC 757 (Cal)***.



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c) ***Galatea Ltd. and Others vs. Diyora and Bhanderi Corporation and Others*** reported in ***AIR 2019 Guj 104***.

d) ***Unilin Beheer B.V. vs. Balaji Action Buildwell*** reported in ***2018 (76) PTC 194 (Del)***.

10.This Court has carefully considered the submissions made on either side and also the materials available on record.

11.It is an admitted case that the applicant has filed the cancellation petitions before the concerned authority at Kolkata only after the institution of the suit by the respondents. On carefully going through the written statement filed by the applicant, it can be seen that sufficient pleadings have been made questioning the validity of the designs registered in favour of the respondents.

12.Before proceeding further to consider the contentions raised on either side, it will be beneficial to extract Section 19 and Section 22 of the Act hereunder:

**19.Cancellation of Registrations.**

(1)Any person interested may present a petition for the cancellation of the registration of a design at any time after the registration of the design, to the Controller on any of the following grounds, namely:

- (a) that the design has been previously registered in India; or*
- (b) that is has been published in India or in any other country prior to the date of registration; or*
- (c) that the design is not a new or original design; or*
- (d) that the design is not registrable under this Act; or*
- (e) that it is not a design as defined under clause(d) of Section 2.*

(2)An appeal shall lie from any order of the Controller under this section to the High Court, and the Controller may at any time refer any such petition to the High Court, and the High Court shall decide any petition so referred.

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22.Piracy of registered design.

(1)During the existence of copyright in any design it shall not be lawful for any person--



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- (a) for the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the licence or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or*
- (b) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or*
- (c) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or exposed or cause to be published or exposed for sale that article.*

(2) In any person acts in contravention of this section, he shall be liable for every contravention--

- (a) to pay to the registered proprietor of the design a sum not exceeding twenty-five thousand rupees recoverable as a contract debt, or*
- (b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention,*



and for an injunction against the repetition thereof, to pay such damages as may be awarded and to be restrained by injunction accordingly:

Provided that the total sum recoverable in respect of any one design under clause (a) shall not exceed fifty thousand rupees:

Provided further that no suit or any other proceeding for relief under this sub-section shall be instituted in any Court below the Court of District Judge.

(3) In any suit or any other proceeding for relief under sub-section (2), every ground on which the registration of a design may be cancelled under Section 19 shall be available as a ground of defence.

(4) Notwithstanding anything contained in the second proviso to sub-section (2), where any ground on which the registration of a design may be cancelled under Section 19 has been availed of as a ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceeding shall be transferred by the Court, in which the suit or such other proceeding is pending, to the High Court for decision.



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(5)When the Court makes a decree in a suit under sub-section (2), it shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs.

13. Section 22(3) of the Act specifically provides that every ground on which the registration of a design is sought to be canceled under Section 19 can be taken as a ground of defence in any suit or proceedings. A combined reading of Section 19 and Section 22 of the Act makes it clear that a person aggrieved can question the validity of the registration of design either before the concerned authority namely the Controller of Designs or it can be taken as a defence in a suit or proceeding pending before the Court. The important issue that arises for consideration is as to what happens if a party has chosen to act upon both the provisions and has parallelly initiated cancellation proceedings before the Controller and has also taken it as a defence in a pending suit.

14. The orders relied upon by the learned counsel for the applicant may not come to the aid of the applicant for the following reasons. Insofar as the first judgment in ***Aloys Wobben and Others***



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vs. Yogesh Mehra and Others referred *supra*, that was a case under the Patents Act and therefore, a parallel cannot be drawn in a case falling under the Designs Act. That apart, that was a case where the revocation petition was pending before the concerned authority even on the date of the institution of the suit. Therefore, the Hon'ble Supreme Court thought it fit to direct the parties to go before the competent authority to adjudicate the claim. That apart it can also be seen that the subject matter of challenge before the Supreme Court was a consent order passed by the High Court.

15. Insofar as the second and third orders of the Hon'ble Supreme Court relied upon by the learned counsel for the applicant, the Hon'ble Supreme Court in one case, thought it fit to issue directions to the Controller of Designs to pass final orders within the time stipulated and till then the suit was kept in abeyance. In the other case, the cancellation applications were referred to the High Court to pass orders within the time stipulated.

16. This Court exercising its jurisdiction as a commercial division can issue directions only to authorities within its territorial jurisdiction. This Court will not have the power or jurisdiction to issue directions to



an authority at Kolkata who is beyond the territorial jurisdiction of this Court. It must be noted that this authority is not a party in the present suit. This Court must bear in mind that the jurisdiction must be exercised within the four corners of law and this Court cannot exercise extra territorial jurisdiction like in the case of a writ petition under Article 226 of the Constitution of India. Hence, when the Hon'ble Supreme Court was issuing directions to the concerned authority, it had the jurisdiction to pass such orders and such a jurisdiction cannot be exercised by this Court. Therefore, there is no scope for this Court to issue any directions to the Controller of Designs at Kolkata since this authority completely falls away from the jurisdiction of this commercial division.

17. Insofar as the staying of the proceedings is concerned, there is no equivalent provision like the one available under Section 124 of the Trade Marks Act, in the Designs Act. That apart, the Designs Act is a self-contained code which does not provide for a specific provision for staying the proceedings. The legislature in its wisdom has not inserted any provision in the Act like the one found under Section 124 of the Trade Marks Act and therefore, this Court cannot draw parallels



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and grant a stay in a case falling under the Designs Act. That is the reason why the legislature found it fit to specifically provide Section 22(3) in the Act wherein a party is permitted to raise as defence all those grounds that are available under Section 19 of the Act. By raising such grounds, the invalidity of the registration of designs can be taken up as an issue before the very same Court where the substantial suit is pending.

18. The mere pendency of the application for cancellation of registration of the designs before the Controller at Kolkata will have no bearing in the present suit and there is no requirement for this Court to wait for the final orders to be passed by the authority. In any case, the applicant will not be put to prejudice if the very same defence is decided by this Court in the present suit. If this Court waits for the authority to pass final orders in the cancellation proceedings, the present suit will remain pending for ever and that goes against the very spirit of forming a commercial division under the Commercial Courts Act, 2015.



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19.In view of the above discussion, this Court does not find any merits in the applications filed by the applicant/defendant and accordingly, both applications are dismissed with cost of Rs.25,000/- payable by the applicant to the State Legal Services Authority on or before 06.12.2021.

22.11.2021

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