

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

% Judgment pronounced : 24th April, 2015

+ **I.A. No. 18023/2014 in CS (OS) No.2689/2014**

AMIT JAIN Plaintiff
Through Mr.S.K.Bansal, Adv. with
Mr. Ajay Amitabh Suman, Mr.Amit
Chanchal Jha, Mr. Santosh Kumar
and Mr. Vikash Khera, Advs.

versus

AYURVEDA HERBAL & ORSDefendants
Through Mr.Ajay Sahni, Adv. with Mr. Ankit
Sahni, Adv. for D-1 to 5.

**CORAM:
HON'BLE MR. JUSTICE MANMOHAN SINGH**

MANMOHAN SINGH, J.

1. Mr. Amit Jain sole proprietor of M/s Vinayak Industries has filed the present suit for permanent injunction restraining infringement of designs, passing off, delivery up, rendition of accounts etc. against the defendants.

2. The plaintiff is engaged in the business activity of manufacturing and marketing of cosmetic products i.e. creams, hair oil and shampoos and other allied and cognate goods.

3. One Mr. Naveen Kumar Jain, sole proprietor of M/s Parag Plastic, B-976, Shastri Nagar, Delhi-110052 was the registered holder of various design registrations under no. 209976 dated 4th May, 2007, 213103 dated 29th October, 2007, 213110 dated 29th October, 2007,

213113 dated 29th October, 2007 and 213115 dated 29th October, 2007 all in class 09-01. The plaintiff has allegedly used the said registered designs after the deed of assignment dated 17th January, 2014 in his favour. By virtue of said deed all rights are assigned to the plaintiff along with goodwill and all benefits.

4. Apart being assignee of above referred designs, it is alleged that the plaintiff has also obtained the registration of the said Design under no. 209974 dated 4th May, 2007 in class 09-03 and under no. 209973 dated 4th May, 2007 in class 28-02 under the Design Act, 2000 (hereinafter referred to as the 'Act'). As per the case of the plaintiff their designs are new, novel, original and are still subsisting in law as he has applied to said plastic bottles and tubes meant for cosmetic goods. Thus, the plaintiff is the owner of the said designs.

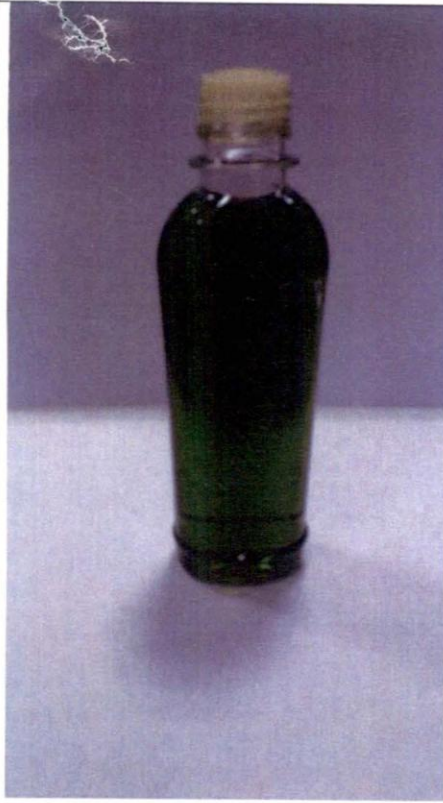
5. The plaintiff has been selling and supplying the said plastic bottles and tubes under the said unique and novel design to various customers. The true representation of the different said plastic bottles and tubes under the said design of the plaintiff are given as herein below:



Design No.213110



Design No. 213113



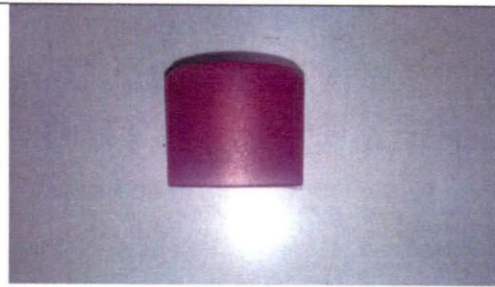
Design No. 209976



Design No. 209973



Design No. 209974



Design No. 209974

6. It is averred in the plaint that the said goods and business under the said plastic bottle and tubes bearing the said designs command excellent popularity. All the said goods are put to use in the market subsequent to obtaining the respective registrations and assignment. He has effected considerable sales running into lakhs and lakhs of rupees annually. The plastic bottle and tubes bearing the said designs throughout the country and the people at large recognize the said products of the plaintiff by its peculiar, new, original and novel, shape, configuration and surface pattern vis-a-vis the said designs. The plaintiff has already spent substantial amounts of money on the publicity of the said designs.

7. It is alleged against the defendants that the defendant No.1 namely M/s Ayurveda Herbal, A-41, DSIDC , Narela Industrial Park, New Delhi-110040, defendant No.2 namely M/s Ayurveda Cosmeceuticals, 128, Bharatgarh, Nalegarh Main Road, Near GPI Textiles, Tehsil Nalegarh, Distt- Solan (Himachal Pradesh), defendant No.3 namely Mrs. Sonia Chadha, proprietress M/s Nimson International, A-41, DSIDC , Narela Industrial Park, New Delhi-110040 , godown at 2122, Bansal Plaza, 3rd Floor, above J &K Bank, Bahadur Garh Road, Sadar Bazar, Delhi-110006 also at 5391, Gupta Market, Sadar Bazar, Delhi-110006, defendant No.4 namely Mr. Himanshu Chadha , A-259,DSIDC, Narela Industrial Park, New Delhi 110040, defendant No.5 namely M/s Nima International A-41, DSIDC, Narela Industrial Park, New Delhi-110040, defendant No.6 namely M/s Saffron Marketing Pvt. Ltd., B-74, Naraina Industrial Area, Naraina, Delhi-110028 and defendant No. 7 namely M/s Iswar Store,

Duggal Complex, Sadar Bazar, Ludhiana, Punjab are also engaged in the same business of manufacturing and marketing of cosmetic products i.e. creams, hair oil and shampoos and other allied and cognate goods. The defendant No.1 is active in the impugned activities in active connivance and collusion with each other.

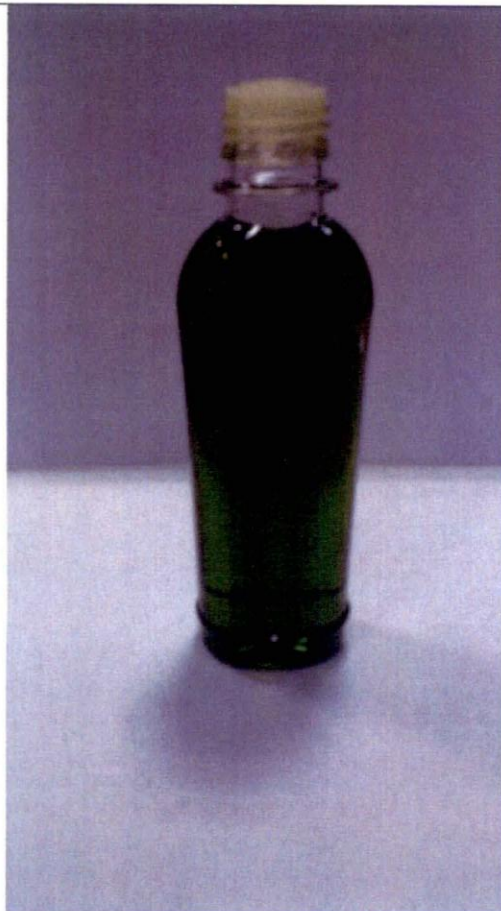
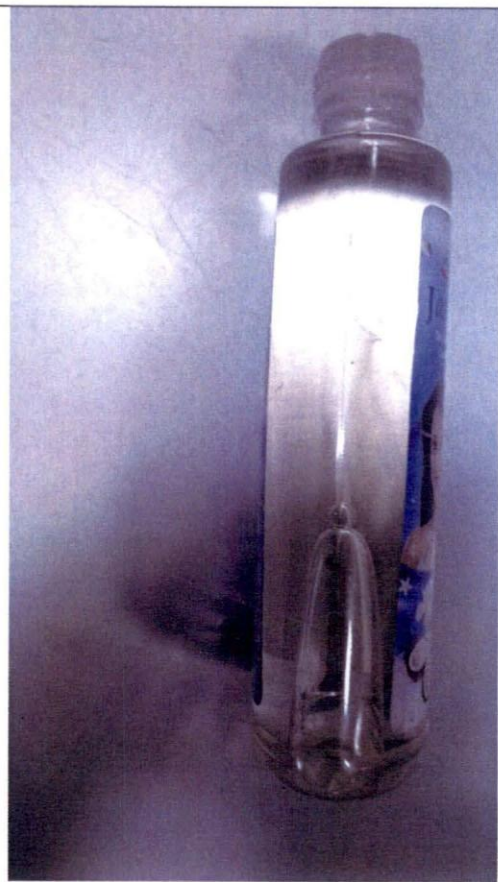
8. The case set by the plaintiff against the defendants is that the defendants have recently started to use in relation to its impugned business and goods, the identical Designs of the impugned plastic bottles and tubes. The adoption and use of the identical Designs of the impugned plastic bottles and tubes in relation to impugned business and goods by the defendants is tainted with dishonesty.

9. The comparison of plaintiff's and defendants' impugned design has been given as herein below:





Design No. 213113

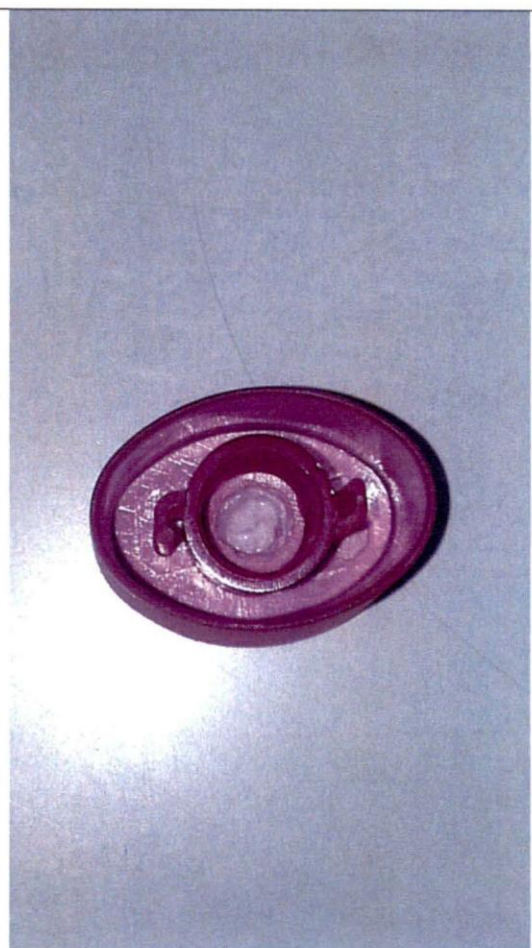


Design No. 209976

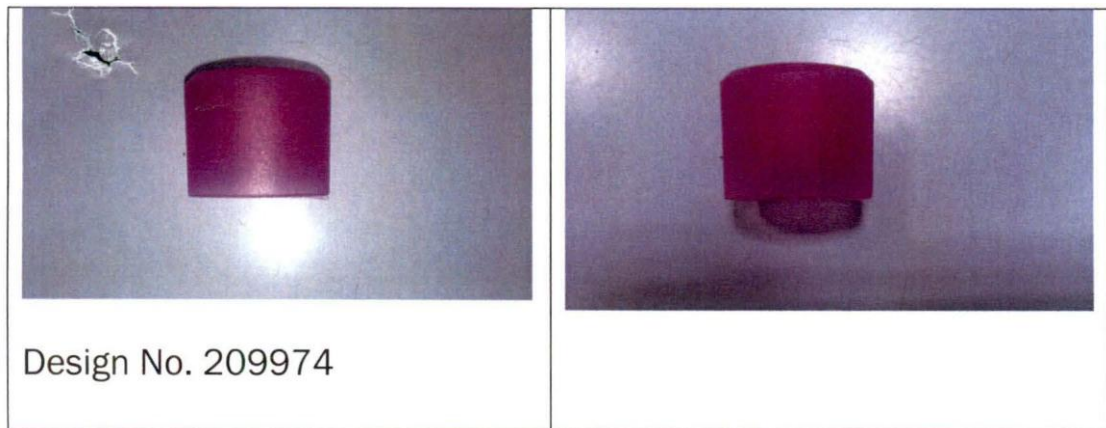




Design No. 209973



Design No. 209974



10. It is stated by the plaintiff that from the above stated features of the impugned Designs of the defendants, it is apparent that the defendants' impugned goods bearing the impugned Designs is a fraudulent and obvious imitation of the plaintiffs registered designs. Such acts constitute the infringement of the registered design of plaintiff as the same has been done without the license or written consent.

11. The defendants are doing such activities with a view to take advantage and to trade upon the reputation of the plaintiff and further with a view to calculate deception and confusion in the markets and to pass off their spurious goods as that of the plaintiff and to infringe, pass off and pirate the plaintiff's said designs.

12. It is alleged by the plaintiff that in the month of first week of June 2014, the plaintiff became aware of this fact that the defendant No.2 filed suit against the plaintiff seeking injunction to restrain the plaintiff from using the trademark/trade dress/colour combination KINGSON before this Court who passed the interim order against the plaintiff in respect to trade dress and colour combination. In the last week of June 2014, the plaintiff came across the offending activities

of the defendants under the impugned design plastic bottles and tubes however, the plaintiff left with no option but to file the suit for infringement of designs and passing off against the defendants before District court but the said suit was withdrawn because of some technical grounds, seeking liberty to file fresh suit. Thereafter the present suit was filed in Tis Hazari Courts, New Delhi. Since the designs in question were challenged by the defendants in the written statement, under the operation of law i.e. Section 22 of the Act, the said suit was transferred to this Court.

13. The written statement on behalf of the defendant Nos. 1 to 5 has been filed who have raised many preliminary objections and submission in their written statement. Various plea were raised. It is submitted by the defendants that the suit filed by the plaintiff is not maintainable under the provisions of Order 23 CPC. The plaintiff in para 21 of the plaint admits of having filed an identical suit in relation to the same subject matter earlier in point of time against the defendants before Patiala House Court. Since the injunction was not granted the plaintiff had withdrawn the suit. After withdrawing the suit, fresh suit was filed where the particulars of the earlier suit were not mentioned. Even copy of plaint and orders were not placed on record and in the absence of the same the present suit is not maintainable.

The present suit is also not maintainable as the e-stamp paper on which the alleged assignment deed has been executed is dated 24th June, 2013 which mentions the consideration value of '0' and does not mention the name of the second party. Therefore assignment

deed is defective in law and no rights can flow from such an assignment deed in favour of the plaintiff.

14. The defendants have denied that in the year 1999 Amit Jain had launched the said firm Vinayak Industries. It is stated in the written statement that not even a single bill/sale invoice of the alleged M/s Vinayak Industries has been filed on record. Only photocopies of bills/invoices of one M/s V.N. Cosmetic have been filed on record which entity is not a party to the suit.

15. It is alleged that as a matter of fact the plaintiff is engaged in fraudulent trade and is known in the business circles for infringing the intellectual property rights of other brands in his business including Dabur India Ltd., Hindustan Unilever Ltd. and of the defendants. In the suit filed by Dabur India Ltd. in this Court in the year 2005 bearing Suit No. 1669 the plaintiff suffered a compromise decree against infringing bottle designs of Dabur India Ltd. Later on despite the said compromise decree against the plaintiff, the plaintiff once again in the year 2007 commenced his infringing activities and M/s Dabur India Ltd. once again filed a civil suit bearing CS (OS) No. 314/2007 before this Court and which was taken in appeal under FAO (OS) No. 293/2007 and the injunction was once again confirmed against the plaintiff.

16. It is denied in the written statement that the plaintiff markets and sells his said goods in original, novel, aesthetic and unique design plastic bottles tubes or the plaintiff is the creator of any alleged plastic bottles tubes, which are the subject matter of the present suit.

17. It is alleged in the written statement that the assignor i.e. Naveen Kumar Jain is not the proprietor of the said registered designs in as much as all the said designs are pre-known/pre-registered/prior published and/or only a workshop improvement and/or infinitesimal addition to already known designs being used for decades in respect of the said products both within India and abroad. In fact the registrations on which the plaintiff is relying are not new or original as there are earlier pre-registered designs in India for the same/substantially similar bottle designs including design No. 206182 dated 4th October, 2006 in the name of M/s Zenna Plastics Ltd., Maharashtra and also registered design No. 173234 dated 24th February, 1997 in the name of Dabur India Ltd.

18. The registered designs on the basis the present suit has been filed are liable to be cancelled under the provisions of Section 19 of the Act in as much as the said designs (i) have been previously registered in India (ii) that they have been published in India and/or and/or in other countries prior to their respective date of registrations (iii) that the said alleged designs of the plaintiff are not new or original designs and/or (iv) that the said alleged designs of the plaintiff are not registrable under the Act. Neither the plaintiff nor his alleged predecessor Naveen Kumar Jain can claim any exclusive rights to such common designs of bottles/tubes and all such designs are liable to be cancelled under the provisions of the Act. The deed of assignment so entered is not a legal document in as much as it does not mention the name and particulars of the second party, nor any consideration amount on the e-stamp paper. There is no other

document on record confirming the execution of the said assignment deed and receipt of consideration by Naveen Kumar Jain and in the absence of the same the said document cannot be relied upon in the present proceedings.

19. Such like bottle designs and tube designs claimed by the plaintiff are being commonly used by several leading cosmetic manufacturers and a pictorial representation of some such products are reproduced herein below:-



20. It is denied by the defendants that the plaintiff has obtained the registration of a Design under No. 209974 dated 4th May, 2007 in class 09-03 and/or under No. 209973 dated 4th May, 2007 in class 28-02 under the Act. The plaintiff is not the proprietor of the said registered designs. The said design registrations of the plaintiff are not new, novel, original, unique as the same are pre-known/pre-registered/prior published and/or only a workshop improvement and/or infinitesimal addition to already known designs being used for decades in respect of the said products both within India and abroad.

21. The defendants submit that the plaintiff has alleged that he in the month of January, 2014 had purchased the design from Naveen Kumar Jain. There is no logic to mention that 'considerable sales running into lakhs and lakhs of rupees annually' when the present suit was filed by the plaintiff in the year 2014. The question of selling products for the last many years does not arise. No cogent documentary evidence has been placed on record by the plaintiff and in fact there is not even a single document by way of a sale invoice, etc. to establish on record that the plaintiff subsequent to the acquisition of the alleged designs ever put them to use in any manner whatsoever.

22. The defendants submits that not even a single advertisement, as alleged, has neither been placed on record by the plaintiff nor any such exists. It is incorrect to allege that the plaintiff has already spent substantial amounts of money on the publicity of the designs and no details of any such 'substantial amounts' have been provided in the plaint. The question of goodwill and reputation thus does not arise. All

the said designs are pre-known/pre-registered/prior published and/or only a workshop improvement and/or infinitesimal addition to already known designs being used for decades in respect of the said products both within India and abroad and no statutory rights can be obtained by any person in respect of such common designs and the registrations relied upon by the plaintiff in the present suit have all been obtained fraudulently and by suppression of material. In fact, the alleged registered design bearing No. 209976 dated 4th May, 2007 on the face of it does not belong to the alleged predecessor of the plaintiff and the same is a product of a well known plastic bottle manufacturer who has been manufacturing such bottles since much prior to the alleged date of registration of the said design.

23. It is submitted that there is no commercial entity namely M/s Nima International any longer and its name has been changed to M/s Nimson International which is the defendant No.3 in the memo of parties. It is stated that defendants have no concern with M/s Saffron Marketing Pvt. Ltd., B-74, Naraina Industrial Are, Delhi-110028 the defendant No.6. It is denied that there is any collusion or any kind of collusive activities between the defendant No.1 to 7 and each of them is carrying on their legal and lawful business activity or defendants could be clubbed with other remaining defendants. It is denied that the defendants have recently started to use in relation to their impugned business and goods, the identical designs of the impugned plastic bottles and tubes.

24. The bottle and tube designs being used by the defendants are all common designs which are in use since the last several decades

and no person, including the plaintiff has any right for its exclusive use and the present suit is liable to be dismissed on this ground alone.

25. The present suit has been filed as a counter blast to the earlier suit against the plaintiff in this Court bearing CS (OS) No. 1628/2014 titled Mrs. Sonia Chadha vs. Amit Jain & Ors. and which suit was in respect of infringement of registered trademark, passing off, permanent injunction etc. pertaining to the plaintiff therein (defendant No.3 herein) registered trademark "Nimson" versus the defendants therein (plaintiff herein) deceptively similar trademark "Kingson" including its deceptively similar font, logo, getup, style, label, etc. This Court vide its order dated 27th May, 2014 was pleased to grant an ex-parte ad-interim injunction against the defendants therein (plaintiff herein) and which injunction order is continuing till date. The plaintiff has preferred a written statement in the said suit and an application for vacation/modification of said ex-parte injunction order.

26. The defendants have denied that they are carrying on their activities with a view to take advantage and to trade upon the reputation of the plaintiff with a view to calculate deception and confusion in the markets and to pass off their spurious goods as that of the plaintiff and to infringe , pass off and pirate the plaintiff's said designs. It is alleged that the defendants have their own different brand name. In fact it is the plaintiff who has infringed the trademark of the defendants.

27. During the hearing of interim application, when all the documents filed by the defendants about the prior publication, pre-

known were confronted, the learned counsel for the plaintiff handed over a comparison chart and tried to distinct the plaintiffs design than the products already available in the market prior to the date of registrations granted in favour of the plaintiff or Naveen Kumar Jain who is allegedly assignor of designs. The counsel has mentioned the dis-similarities in the said chart. However it is not denied that the said products are already available in the commercial market and owned by well known company. It is also not denied by the counsel that the Dabur (supra) has earlier filed the suit against the plaintiff two times for infringement of design which is also subject matter of the present suit. The plaintiff's counsel has also not been able to give any valid reason, why no disclosure was made about the first suit filed in the Patiala House Court when the second suit/ present suit was filed. No year wise statement of sale and advertisement figures have been filed in order to show that these designs have been used by the assignor or assignee in the open market.

28. Section 9 reads as under :

Section 9. Certificate of Registration - (1) The Controller shall grant a certificate of registration to the proprietor of the design when registered (2) The Controller may, in case of loss of the original certificate, or in any other case in which he deems it expedient, furnish one or more copies of the certificate.

Section 22. Piracy of registered design - (l) During the existence of copyright in any design it shall not be lawful for any person-

(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 license 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 expose or cause to be published or exposed for sale that article.

2. (1) If 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 subsection shall be instituted in any court below the court of District Judge.

(3) In any suit or any other proceeding for relief under subsection (2), ever 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 or 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 proceedings shall be transferred by

the Court in which the suit or such other proceeding is pending, to the High Court for decision.

(5) When the court makes a decree in a suit under subsection (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.”

Section 19 - Cancellation of registration -(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 it 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 registerable 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.

29. The conjoint reading of the aforementioned provisions would reveal that the Act is a complete code in itself which provides that there is a condition for certificate of registration of the said design under Section 9 of the Act and the said design upon registration confers the copyright in the said design for a period of 10 years as envisaged under Section 11 of the Act and for further renewable of five years under the said provision. The said term also indicates that the design right is a statutorily conferred right for limited period and there is no room for any other right to exist except the one conferred

by the Act. Likewise, Section 22 of the Act provides remedy for piracy of a registered design wherein the said piracy will only happen during the existence of copyright in the said design. Sub-section (3) of Section 22 mandates that in any suit or any other proceedings 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 ground of defence.

30. i) In the case of ***Dabur India Limited v. Rajesh Kumar***, 2008 (37) PTC 227(Del), the court held as under :

“In cases of design, the Court while granting interim injunction must keep in mind that the design must be validly registered and there must be some novelty and originality in the designs sought to be protected and it must not have been re published. No specific novelty has been mentioned by the plaintiff in the design of the bottle, neither any specific novelty has been mentioned in the registration certificate. The registration certificate only gives bottom view, top view and side view of the bottle. There is no specific dimensional ratio of the bottle given in the design as bottles are manufactured by most of the manufacturers for containing specific quantity of liquid by measurement. Normally these bottles are made 50 ml, 100 ml, 200 ml, etc. Since all the manufacturers manufacture bottles for such quantities, the bottles of same quantity are bound to have almost same height if they have same bottom circumference. Unless, plaintiff had any claim over specific ratios of the dimensions which were not pre-existing, there can be no novelty in the bottle. Similar designs are being used by many leading companies from the time much before the registration of this design by the plaintiff. I, therefore, consider that the plaintiff is not entitled for interim injunction. The application of the plaintiff is hereby dismissed.”

ii) It was expressed by Buckley L.J. on the question of quantum of novelty in ***Simmons v. Mathieson & Cold***, (1911) 28 R.P.C. 486 in these words:

“In order to render valid the registration of a Design under the Patents and Designs Act, 1907, there must be novelty and originality, it must be a new or original design. To my mind, that means that there must be a mental conception expressed in a physical form which has not existed before, but has originated in the constructive brain of its proprietor and that must not be in a trivial or infinitesimal degree, but in some substantial degree.”

iii) In ***Phillips v. Barbro Rubber Company*** (1920) 37 R.P.C. 233, Lord Moulton observed that while question of the meaning of design and of the fact of its infringement are matters to be judged by the eye, it is necessary with regard to the question of infringement, and still more with regard to the question of novelty or originality, that the eye should be that of an instructed person, i.e. that he should know what was common trade knowledge and usage in the class of articles to which the design applies. The introduction of ordinary trade variants into an old design cannot make it new or original. He went on to give the example saying, if it is common practice to have or not to have, spikes in the soles of running shoes, any man does not make a new and original designs out of an old type of running shoes by putting spikes into the sales. The working world, as well as the trade world, is entitled at its will to take, in all cases, its choice of ordinary trade variants for use in particular instance, and no patent and no registration of a design can prevent an ordinary workman from using or not using trade knowledge of this kind. It was emphasized that it is the duty of the Court to take special care that no design is to be

counted as “new and original design” unless it is distinguished from that previously existed by something essentially new or original which is different from ordinary trade variants which have long been common matters of taste workman who made a coat (of ordinary cut) for a customer should be left in tender whether putting braid on the edges of the coat in the ordinary way so common a few years ago, or increasing the number of buttons or the like, would expose him for the prescribed years to an action for having infringed a registered design. On final analysis, it was emphasized that the use of the words “new or original” in the statute is intended to prevent this and that the introduction or substitution of ordinary trade variants in a design is not only insufficient to make the design “new or original” but that it did not even contribute to give it a new or original character. If it is not new or original without them, the presence of them cannot render it so.

31. It is rightly held in the cases decided that in the matter of novelty the eye is to be the ultimate test and the determination has to be on the normal ocular impression. In order to know its newness or originality it is necessary that a design identical with or even materially similar to the relevant design should not have been published or registered previously. A slight trivial or infinitesimal variation, from a pre-existing design will not qualify it for registration. Taking into account the nature of the article involved, the change introduced should be substantial. It is not necessary to justify registration that the whole of the design should be new, the newness may be confined to only a part of it but that part must be a significant

one and it should be potent enough to impart to the whole design a distinct identity, unless registration is sought for the said part alone.

32. It is important to keep in mind that if an improvement made in the design known before should be more than a mere workshop improvement by combining of old known part of the design with new integers which have no novelty, it does not qualify the new design under the eyes of the Act as the same would not involve the exercise of novel and new design. There must be novelty in the design over what is old.

33. From the comparison of the products already available in the market and earlier design registration obtained prior to the date of registration of assignor and/or by the plaintiff, it is clear that all the designs claimed by the plaintiff are either prior publish or trade variant.

34. Dis-similarities pointed out by the counsel for the plaintiff of the earlier products available in the market and prior registrations are negligible. The other most important aspect of the present case is that there are no pleadings on behalf of the plaintiff that there is a mandatory requirement in law to register the assignment in favour of the assignee of designs after the assignment of designs. Section 30 of the Act stipulates that where a person becomes entitled by assignment transmission or other operation of law to a Copyright in a registered design, he has to make an application, in the prescribed form, to the Controller to register his title and it is only when change is made in the Register in the name of such person that he becomes entitled to claim ownership of the design.

35. Section 30 of the Act reads as under:

(1) "30. Entry of assignment and transmissions in registers.(1) Where a person becomes entitled by assignments, transmission or other operation of law to the copyright in a registered design, he may make an application in the prescribed form to the Controller to register his title, and the Controller shall, on receipt of such application and on proof of title to his satisfaction, register him as the proprietor of such design, and shall cause an entry to be made in the prescribed manner in the register of the assignment, transmission or other instrument affecting the title.

(2) Where any person becomes entitled as mortgagee, licensee or otherwise to any interest in a registered design, he may make an application in the prescribed form to the Controller to register his title, and the Controller shall, on receipt of such application and on proof of title to his satisfaction, cause notice of the interest to be entered in the prescribed manner in the register of designs, with particulars of the instrument, if any, creating such interest.

(3) For the purposes of sub-section (1) or sub-section (2), an assignment of a design or of a share in a design, a mortgage, license or the creation of any other interest in a design shall not be valid unless the same were in writing and the agreement between the parties concerned is reduced to the form of an instrument embodying all the terms and conditions governing their rights and obligation and the application for registration of the title under such instrument is filed in the prescribed manner with the Controller within six months from the execution of the instrument or within such further period not exceeding six months in the aggregate as the Controller on the application made in the prescribed manner allows:

Provided that the instrument shall, on entry of its particulars in the register under sub-section (1) or sub-section (2), have the effect from the date of its execution.

(4) The person registered as the proprietor of a design shall, subject to the provisions of this Act and to any rights appearing from the register to be vested in any other person,

have power absolutely to assign, grant licenses as to, or otherwise deal with, the design and to give effectual receipts for any consideration for any such assignment, license or dealing:

Provided that any equities in respect of the design may be enforced in like manner as in respect of any other movable property.

(5) Except in the case of an application made under Section 31, a document or instrument in respect of which no entry has been made in the register in accordance with the provisions of sub-sections (1) and (2) shall not be admitted in evidence in any Court in proof of the title to copyright in a design or, to any interest therein, unless the Court for reasons so be recorded in writing, otherwise directs."

36. A reading of sub-sections (1) and (3) of Section 30 shows that when ownership of registered design is claimed by a successor person or company, either by assignment or by transmission or by operation of law, such assignment, transmission or by operation of law of the copyright to a design has to be registered with the Controller of Designs within six months from the date of execution of instrument, assignment or transmission of the copyright in the registered design to successor person. The period of six months is limited under sub-section (3) of Section 30. Subsection (5) clearly provides that a document or instrument in respect of which no entry has been made in the register in accordance with the provisions of sub-sections (1) and (2) shall not be admitted in evidence in any Court in proof of the title to copyright in a design or to any interest therein unless the Court for reasons to be recorded in writing otherwise directs.

37. In the present case, admittedly, the assigned designs were registered in the name of Naveen Kumar Jain who had assigned the same in the name of plaintiff for a total sum of Rs.3,000/- as consideration along with goodwill. However, the plaintiff on the date of filing of the suit was not registered as subsequent owner with the Controller of Designs in terms of sub-section (1) to Section 30 and therefore, the certificate of registration on which the plaintiff claim is based, the design in question cannot be, prima facie, read in evidence in view of the provisions of subsection (5) of Section 30 of the Act. The plaintiff did not have any valid right to file the present suit unless the assignment is duly registered. During the course of hearing, the plaintiffs' counsel has informed the court that the application for registering the assignment is pending. Therefore, on the date of filing of the suit by the plaintiff for infringement of same very designs was not maintainable. The question of passing off does not arise, once it is noticed by the Court that the goodwill and reputation does not attach with the design which is also not new or original, colour combination is different and both products are sold under different brand name. None of the judgment referred by the plaintiff helps the case of the plaintiff.

38. The plaintiff cannot deny the fact that in the second suit there was no disclosure about the first suit which was withdrawn with liberty to file fresh suit. In the second suit, the court passed the interim order in favour of the plaintiff for appointment of four Local Commissioners who have raided the premises of the defendants. It is incorrect on the part of the plaintiff that once the liberty was granted, it was not the

duty of the plaintiff to disclose about the first suit in the second suit. The arguments are on the face of it absurd and not tenable. In the first suit no interim orders were passed but in the second suit, the prayer for appointment of Local Commissioners was allowed, had the factum of first suit was disclosed, the Court might not have passed the orders for appointment of Local Commissioners. Therefore, the plaintiff was duty bound to disclose the material fact before Court. Even on this reason itself the plaintiff is not entitled for injunction.

39. In **Satish Khosla vs Eli Lilly Ranbaxy Ltd.** 71(1998) DLT 1 it was observed as under :-

“9. It is the contention of the respondent that it had in the second suit disclosed the filing of the first suit and there was, therefore, neither any attempt on its part to mislead the court nor it had in any way tried to obstruct the administration of justice or play fraud upon the Court. It is also its contention that the respondent was entitled to bring the second suit for specific performance of the agreement to register the lease deed and the cause of action had accrued to it only on the receipt of notice dated 10th January, 1997 from the appellant when the tenancy was allegedly terminated.

14. Was it not obligatory on the part of the respondent to disclose to the Court that in an earlier suit filed by it, the Court had not granted any stay in its favour and if on such a disclosure having been made the Court still granted stay in favour of the respondent, it could be said that the respondent had not concealed any material fact from the Court. But not mentioning anything about the Court having not granted any stay in similar circumstances in favour of the respondent in the earlier suit, it appears to us that the respondent had not only concealed material facts from the Court but had also tried to over-reach the Court. Being unsuccessful in obtaining stay in Suit No. 3064/96, it was not permissible to the respondent to file the subsequent suit and seek the same relief which had not been granted to it in the earlier suit.

15. In *S.P. Chengalvaraya Naidu v. Jagannath and others*, AIR 1994 SC 853 it was held that the courts of law are meant for imparting justice between the parties. One who comes to the court, must come with clean hands. "It can be said without hesitation that a person whose case is based on falsehood has no right to approach the Court. He can be summarily thrown out at any stage of the litigation. A litigant, who approaches the court, is bound to produce all the documents executed by him which are relevant to the litigation. If he withholds a vital document in order to gain advantage on the other side then he would be guilty of playing fraud on the court as well as on the opposite party."

40. From the entire gamut of the matter, it appears to the Court that the plaintiff is not entitled for interim injunction on the following reasons:-

- (i) Prima facie, the designs in question are not novel, prior-published. The same are otherwise at present are not protectable under Section 30 of the Act. The plaintiff's name has not been entered in the register after assignment. Thus, plaintiff has not made prima facie case of infringement of design or passing off. None of the decisions referred by the counsel help the case of the plaintiff in view of facts and circumstances in the matter.
- (ii) The plaintiff is guilty of not disclosing the pleading of first suit which was withdrawn, though liberty was granted in second suit. There was no disclosure of first suit and he obtained the relief for seizure of goods through local commissioners. In case true disclosure would have been made, the said may not have been granted.

41. Under these circumstances, the application for injunction under Order 39 Rule 1 and 2 CPC is dismissed. The material seized by the Local Commissioners is ordered to be released to the respective parties.

CS (OS) No.2689/2014

List before Joint Registrar for admission/denial of documents on 27th May, 2015.

**(MANMOHAN SINGH)
JUDGE**

April 24, 2015