IN THE HIGH COURT OF DELHI AT NEW DELHI

FAO (OS) No. 293 of 2007

Reserved on: September 08, 2008
Date of judgment: December 3, 2008

DABUR INDIA LTD. ..... Appellant
Through: Mr. Hemant Singh, Advocate.

versus

AMIT JAIN & ANR. .... Respondents
Through: Mr.V.K. Bansal and
Mr. Shashi P. Ojha, Advocates.

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE DR. JUSTICE S. MURALIDHAR

1. Whether Reporters of local papers may be allowed to see the judgment? Yes

2. To be referred to the Reporter or not? Yes

3. Whether the judgment should be reported in Digest? Yes

JUDGMENT
03.12.2008

Dr. S. Muralidhar, J.

1. Aggrieved by the dismissal of its application IA No.1910 of 2007 under Order 39 Rules 1 & 2 CPC in CS (OS) No.314 of 2007, the Plaintiff Dabur India Limited ('DIL') has filed this appeal. With the consent of parties the appeal is taken up for final hearing.

2. The Appellant states that it is the fourth largest fast moving consumer goods company in India engaged in the business of manufacturing

pharmaceuticals, toiletries and medicinal preparations and that it has been carrying on its trading activities since 1884. Among its reputed products is Amla Hair Oil which is being marketed under the trade mark Dabur Amla Hair Oil. The Appellant states that besides vast sales in India it has also been exporting Dabur Amla Hair Oil to various countries since 1884. Dabur Amla Hair Oil is marketed in plastic bottles shaped with a semi-circular shoulder with curvaceous back and front panel tapering into each other, thereby providing a novel and original overall appearance and look to the Appellant's bottle. The said design being unique, aesthetically novel and original is also registered under the Designs Act, 2000 under Design Registration No.173234 dated 24th February 1997 in favour of the Appellant. It is stated that the design registration stands renewed till 24th February 2012. The green cap used in relation to the said plastic bottle has also been separately registered under Design Registration No.171486 dated 11th June 1996 and it is valid till 11th June 2011.

3. According to the Appellant it introduced the abovementioned plastic bottle for marketing its hair oil in the year 2000. Prior to this Dabur Hair Oil was marketed in a glass bottle whose design was registered with the Controller of Patents and Designs in favour of the Appellant under Design Registration No. 160812 dated 14th March 1989. The Appellant states that it has incurred substantial expenditure on advertisement and promotion of the Dabur Amla Hair Oil. The figures given by it from 1995-96 till 2004-05

show that on publicity it incurred an expenditure of Rs.1232.21 lakhs in 2004-05. The Appellant claims that on account of prior adoption, long and continuous use, extensive advertising campaign and marketing network, enormous sales, the Appellant has acquired goodwill and reputation in the market and the product of the Appellant i.e. the Dabur Amla Hair Oil along with its packaging i.e. the bottle and cap described hereinabove have come to be identified and associated exclusively with the Appellant's goods among consumers belonging both to rural and semi-urban areas and townships. The Appellant has placed on record annual sales figures of the Dabur Amla Hair Oil and Dabur Jasmine Hair Oil packed in the above bottles along with the caps.

4. Defendant No.1 in CS (OS) No. 314 of 2007 is Amit Jain (Respondent No.1 herein) and Defendant No.2 is M/s. V.N. Cosmetics (Respondent No.2 herein). In November 2005 the Appellant Plaintiff found Amit Jain, the sole proprietor of M/s. Vinayak Industries, Delhi to be engaging in the business of manufacturing and selling Plus Jasmine Hair Oil and Tushar Amla Hair Oil in bottles of same design and under label marks deceptively similar to the design of the Appellant's bottles and labels. The Appellant filed Suit No. 1699 of 2005 against Amit Jain and Vinayak Industries by way of an infringement action. An application was also filed in the said Suit seeking an interim injunction. The said Suit was disposed of in terms of a compromise arrived at between the parties. The order dated 6th January

2006 by the learned Single Judge of this Court in CS (OS) No.1669 of 2005 records the fact that the parties had jointly filed an application under Order 23 Rule 3 CPC and a direction was issued to record the respective submissions of the parties. Among the terms of the compromise were the following admissions made and undertaking given by the Defendants including Amit Jain:

> "2. The Defendants admit the Plaintiff to be the proprietor of the design of the plastic bottles under Design Registration No. 173234 dated 24.02.1997 and the design of the cap used in relation to the said plastic bottle under Design Registration No.171486 dated 11.06.1996. The Defendants acknowledge the validity of the abovementioned Design Registrations.
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> 3. The Defendants undertake not to use the impugned "Plush Jasmine Hair Oil Bottle", "Plush Amla Hair Oil Bottle", "Lesure's Tushar Amla Hair Oil Bottle" and the impugned trade dress and labels pertaining thereto in respect of hair oil, subject matter of the present proceedings or any other label or design that may be deceptively similar to the DABUR Amla Hair Oil and Dabur Jasmine Hair Oil labels and bottle designs/packaging their colour combination, lay out, arrangement of feature and get up as may be likely to cause confusion or deception amounting to passing off or infringement of copyright."

5. Notwithstanding the disposal of the aforementioned Suit in terms of the

compromise between the parties, of which the above undertaking of Defendant Amit Jain forms part, in the first week of February 2007 the Appellant learnt that Amit Jain had once again started manufacturing and selling Plush Amla Hair Oil in plastic bottles which according to the Plaintiff Appellant were "obvious and fraudulent infringement of the DABUR Amla Hair Oil and cap design which form the subject matter of the Appellant's registered Design No.173234 and 171486 in terms of their shape and configuration." Accordingly, the Appellant filed a fresh Suit being CS (OS) No. 314 of 2007 against the respondents Defendants Amit Jain and his reconstituted proprietary concern M/s. V.N.Cosmetics in this Court seeking a decree of permanent injunction restraining infringement and passing off of the design of the plaintiff damages from the. I.A. No.1910 of 2007 was filed under Order 39 Rules 1 & 2 along with the plaint seeking an interim injunction against the Defendants.

6. By an order dated 20th February 2007, a learned Single Judge opined that the Appellant had made out a case of ex parte ad interim injunction and granted it till the next date of hearing. By the same order, the learned Single Judge appointed an advocate of this Court as Local Commissioner to seize the infringing goods/bottles as well as moulds, make an inventory thereof and release the same to the Defendants on *superdari*.

7. The Defendants Amit Jain and V.N.Cosmetics thereafter filed an

application along with the written statement seeking vacation of the ex parte ad interim injunction order dated 20th February 2007. After pleadings were completed in the application, the learned Single Judge by the impugned order dated 31st May 2007 vacated the earlier ad interim injunction dated 20th February 2007. The learned Single Judge after examining the samples of the bottles used by the plaintiff as well as the defendant and the photographs of the other bottles came to the conclusion that the "bottle being used by the defendant is not of the same dimension or shape as that of the plaintiff; neither it has the logo of the plaintiff with 'DABUR' on the bottom, as alleged." Further it was held by the learned Single Judge that "the shape of the bottle in which plaintiff is marketing its product is not something new." The learned Single Judge also relied upon the judgment of the Division Bench of this Court in ***Rotela Auto Components Private Limited v. Jaspal Singh 2002 (24) PTC 449 (Del.)*** where injunction was declined where the design in question was of recent origin. Further it was held that "the plaintiff has failed to show that the plastic bottle used by the defendant was prima facie violating/ infringing the design of the plaintiff."

8. Aggrieved by the impugned order the Appellants have filed the present appeal FAO (OS) No. 293 of 2007. By an order dated 8th August 2007 a Division Bench of this Court admitted the appeal. However it declined to grant any interim relief and dismissed the application for stay being C.M. No.10494 of 2007. Aggrieved by the refusal of stay by the Division Bench,

the Appellants filed SLP (C) No.15385 of 2007 in the Supreme Court. This SLP was disposed of by the Supreme Court on 21st September 2007 by the following order:

> "Pending hearing and final disposal of the appeal before the High Court, the impugned order shall remain stayed. Consequently, the injunction granted by the trial court on 20th February, 2007 will continue to operate. We request the High Court to expeditiously hear and dispose of the appeal, preferably within eight weeks from today."

9. We have heard at length the submissions of Mr. Hemant Singh, learned counsel appearing for the Appellant/Plaintiff and Mr.S.K. Bansal, learned counsel appearing for the Defendants/ Respondents.

10. It is submitted by Mr. Hemant Singh that the registration in respect of both the bottle and the cap in favour of the Appellant, conferred the statutory right to exclusive use of the said design on the Appellant in terms of Section 11 of the Designs Act, 2000 ('Act'). It is further submitted that the fraudulent imitation of the said design by the Defendants/Respondents constitutes infringement under Section 22 of the Act, and an injunction should follow in terms of Section 22 (1A) and 22 (1B) of the Act. Reliance is placed on the judgment in ***Alert India Ltd. v. Naveen Plastics 1997 (Vol. 17) PTC 15 (Delhi HC)***, ***Castrol India Ltd. v. Tide Water Oil Co. (I) Ltd. 1996 PTC (16) 202 (Calcutta HC)***, ***Hindustan Sanitaryware v. Dip Crafts***

2003 (26) PTC 163 (Delhi HC) to contend that the resemblance need not be identical, but as long as it is a planned and an obvious imitation although in some respects different from the original, the infringing design will be injuncted.

11. The Appellant also relies on the principle of estoppel as explained by the Supreme Court in ***Sailendra Narayan Bhanja Deo v. The State of Orissa AIR 1956 SC 346*** to contend that the undertaking given by Amit Jain in the earlier suit before this Court would estop him from using the said design either by himself or through any proprietary concern of his like M/s. V.N.Cosmetics. The Respondents were precluded from imitating the said design and exploiting it for commercial purposes. The submission on behalf of the Respondent/Defendant that it has also obtained the registration of its bottle design on 9th November 2006 is countered by the Appellant by pointing out that it has already applied for cancellation of the said registration in terms of the Act and that the subsequent design registration is in any event not a defence to an infringement of a prior registered design.

12. The further contention of learned counsel for the Appellant is that the use of the impugned bottle design by the Respondent is a case of dishonest infringement of Appellant's statutory right and that an injunction has to therefore automatically follow. Reliance is placed on the judgment of the Supreme Court in ***Midas Hygiene Industries P. Ltd. v. Sudhir Bhatia***

(2004) 3 SCC 90.

13. On behalf of the Defendants/Respondents it is submitted by Mr. S.K. Bansal, learned counsel, that the bottles now being used by it for which an injunction is sought by the Appellant Plaintiff did not form the subject matter of either the Suit No. 1169 of 2005 or the bottles and caps which were alleged to be infringing the Plaintiff's registered design as mentioned in that Suit. It is urged that the seizures made by the Local Commissioner in the instant case is not of the infringing bottles but of a new bottle being used by the Defendants which is different from the one which forms the subject matter of the earlier Suit. Reliance is placed on some of the judgments relied upon by the Appellant and this includes ***Castrol India Ltd***. In addition the Respondents relied upon the judgment in ***Merico Limited v. Raj Oil Mills Limited 2007 (35) PTC 330 (Bombay)***, ***Ravinder Kumar Gupta v. Ravi Raj Gupta 1986 PTC 50*** and ***Bharat Glass Tube Limited v. Gopal Glass Works Limited AIR 2008 SC 2520***. It is contended that the design of the bottle or the cap of the Appellant is neither new nor novel, and therefore was not entitled to be granted any registration under the Act. In particular it is contended that the cap of the bottle does not have its own commercial identity in the market and therefore does not qualify to be an article under the Designs Act. It is contended that the right of a Plaintiff in a registered design extends only to the extent of novelty claimed in a registered design. Moreover the registration of the Plaintiff's bottles is not with any special

unique feature and therefore no case can be said to have been made out for infringement.

14. One of the first questions to be considered is whether the undertaking given by Amit Jain in the earlier Suit No. 21669 of 2005 acts as an estoppel and restrains the Defendants herein from using bottles and caps deceptively similar to that of the Appellant and in respect of which the Appellant holds registration. This Court finds that there is justification in this plea of the Plaintiff. The first defendant Amit Jain is bound by the undertaking. So is the second defendant which is but a proprietory concern of Amit Jain.

15. The principle of issue of estoppel has been explained by the Supreme Court in ***Raja Sri Sailendra Narayan Bhanja Deo*** in para 8 as under:

> 8. The plea of estoppel is sought to be founded on the compromise decree, Ex.'O' passed by the Patna High Court on 2nd May, 1945, in F. A. No. 15 of 1941. The compromise decree is utilised in the first place as creating an estoppel by judgment. In – "In re. ***South American and Mexican Company, Ex parte Bank of England (1895) 1 Ch. 37 (C)***, it has been held that a judgment by consent or default is as effective an estoppel between the parties as a judgment whereby the court exercises its mind on a contested case. Upholding the judgment of Vaughan Williams, J., Lord Herschell said at page 50 :-
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> > "The truth is, a judgment of consent is intended to put a stop to litigation between the parities just as much as is a judgment which results from the

> decision of the Court after the matter has been fought out to the end.
>
> And I think it would be very mischievous if one were not to give a fair and reasonable interpretation to such judgments, and were to allow questions that were really involved in the action to be fought over again in a subsequent action".

To the like effect are the following observations of the Judicial Committee in ***Kinch v. Walcott and others, 1929 AC 482*** at p. 493 (D) :-

> "First of all their Lordships are clear that in relation to this plea of estoppel it is of no advantage to the appellant that the order in the libel action which is said to raise it was a consent order. For such a purpose an order by consent, not discharged by mutual agreement, and remaining unreduced, is as effective as an order of the Court made otherwise than by consent and not discharged on appeal".

The same principle has been followed by the High Courts in India in a number of reported decisions. Reference need only be made to the cases of ***Secretary of State for India in Council v. Ateendranath Das 63 Cal. 550***, at p. 558 (E); ***Bhaishanker Nanabhai and others v. Morarji Keshavji and Co. 36 Bom. 283 (F) and Raja Kumara Venkata Perumal Raja Bahadur, Minor by guardian Mr. W. A. Varadachariar v. Thatha Ramasamy Chetty and others 35 Mad. 75 (G)***. In the Calcutta case after referring to the English decisions the High Court observed as follows :-

> "On this authority it becomes absolutely clear that the consent order is as effective as an order passed on contest, not only with reference to the conclusions arrived at in the previous suit but also with regard to every step in the process of reasoning on which the said conclusion is founded.

> When we say "every step in the reasoning" we mean the findings on the essential facts on which the judgment or the ultimate conclusion was founded. In other words the finding which it was necessary to arrive at for the purpose of sustaining the judgment in the particular case will operate as estoppel by judgment".

16. If the Respondent's plea were to be accepted it will render meaningless the undertaking given earlier by Amit Jain to this Court whereby he accepted the novelty of the Plaintiff's design and the registration granted to the Plaintiff in respect thereof. There can be no denial of the fact that Amit Jain is a common Defendant to both Suits and he is the proprietor of both the concerns namely Vinayak Industries, Defendant No.2 in Suit No. 1699 of 2005 and V.N. Cosmetics, Defendant No.2 in the present Suit No. 314 of 2007. We are therefore not impressed at all with the plea of the Respondent that what it is using now is different from the bottle in respect of which the compromise was entered into between the parties and the registration was held by the Plaintiff.

17. The law in regard to similarity which constitutes infringement and which in turn attracts an order of injunction has been explained by this Court in ***Alert India Ltd***. (supra). Reference in the said case has been made to an earlier decision in ***J.N. Electricals (India) v. President Electricals ILR 1980 (1) Delhi 215*** where it was explained that "the 'sameness' of features does not necessarily mean that the two designs must be identical on all points and

should differ on none. They have to be substantially the same." In ***Alert India Ltd.*** it was held as under:

> "36. Thus for determining whether two designs are identical or not, it is not necessary that the two designs should be exactly the same. The main consideration to be applied is whether the broad features of shape, configuration, pattern etc. are same or nearly the same and if they are substantially the same then it will be a case of imitation of the design of one by the other…"

18. Likewise in ***Castrol India Ltd.*** the Calcutta High Court explained that "the word 'imitation' does not mean 'duplication' in the sense that the copy complained of need not be an exact replica." Reference was made to the earlier decision of the said High Court in ***Best Products Ltd. v. F.W. Woolworth & Company Ltd. 1964 RPC*** where it was held that "it is the article as a totality that must be compared and contrasted with the features of a shape and configuration shown in the totality observable from the representation of the design as registered. It was said that the Court must address its mind as to whether the design adopted by the defendants was substantially different from the design which was registered." The decision in ***Dunlop Rubber Co. Ltd. v. Golf Ball Developments Ltd. (1931) XLVIII RPC 268*** is also a pointer to the approach to be adopted by the Court when a complaint is made by a Plaintiff of fraudulent imitation of its design by a Defendant. It was observed "…fraudulent imitation seems to be an imitation

which is based upon, and deliberately based upon, the registered design and is an imitation which may be less apparent than an obvious imitation; that is to say, you may have a more subtle distinction between the registered design and a fraudulent imitation and yet the fraudulent imitation, although it is different in some respects from the original, and in respects which render it not obviously an imitation may yet be an imitation, imitation perceptible when the two designs are closely scanned and accordingly an infringement."

As explained in ***Hindustan Sanitaryware*** if the Court is able to find that, "there is substantial and sufficient resemblance between the allegedly infringed designs and the Appellant's registered designs…", an injunction should follow.

19. This Court has been shown the bottles and caps which form the subject matter of Suit No. 1669 of 2005 and the bottle and cap now being used by the Respondent Defendant. Further during the course of his submissions Mr.Bansal also produced the further modified version of the bottle and caps being used by the Respondent at present. Having examined these bottles and caps, this Court is of the prima facie view that the bottles and caps used by the Defendants, produced before us (in addition to the photographs forming part of the record) are indeed deceptively similar to that of the Plaintiff.

20. The next plea to be considered is whether the Plaintiff's design was of sufficient novelty for the grant of registration. This Court notices that this

plea is no longer available to be taken after the compromise order arrived at in the earlier suit between the same parties. Likewise, the plea now raised that there cannot be a separate registration in respect of a cap since it is by itself marketable is also not available to the Defendant to raise.

21. For the purposes of considering the plea of the Plaintiff for grant of an interim injunction pending the final determination of the issue in the suit, we find that it is not necessary to take a final view on the plea of the Defendant that the registration granted of the design in favour of the Appellant is invalid. This would be gone into in the statutory proceedings instituted by the defendant raising the said for challenge.

22. In the circumstances, the learned Single Judge, in our view, erred in coming to conclusion that the Plaintiff's design was not novel or new. The design which is referred to in the compromise order in the earlier Suit cannot be diluted or ignored by this Court particularly when at no point in time the Respondent has resiled from the said undertaking which expressly recognizes the validity of the Plaintiff's design. There was no occasion for the learned Single Judge to reopen the issue which came to be decided by the earlier Suit. Also there was no occasion for the learned Single Judge to give a finding that the design of the Respondent's bottle was different from the registered design of the Appellants bottle in question. In any event, as pointed out by the Plaintiff, as regards the subsequent registration of the Defendant, it has already filed an application to have the registration

cancelled. The mere fact that there is a subsequent registration in favour of the Defendant is clearly not a defence in an action for infringement as explained in ***Alert India Ltd.*** in para 20 as follows:

> "This Scheme of the Act makes its purpose clear that the underlying principle behind the law providing for registration of a design is that the commercial exigency requires that a specific design should be protected and its infringement prohibited and prevented."

23. A plea was raised by the learned counsel for the Defendant that the bottles seized by the Local Commissioner in the instant case were different from the bottles in respect of which the compromise was recorded in the earlier Suit and that by means of the present Suit the Plaintiff is somehow seeking to overreach the Court to have the injunction extended to all the bottles used by the Respondents. We are not impressed with the submission. The report of the Commissioner has been placed on record. At no point in time did the Defendants actually raise any objection to the report. We do not see why we should permit this kind of a plea to be entertained at the stage of the appeal. Having compared the bottles, even those currently used by the Defendants, this Court is satisfied that the Plaintiffs have made out a prima facie case for grant of an injunction. This is not a case where the award of damages would have been sufficient to compensate the Plaintiff for the infringement of its registered designs. There is certainly an element of loss of goodwill in allowing the infringement to continue. We therefore reject the

plea of the respondents/defendants that the impugned design of the Respondents is different from the design which was the subject matter of Suit No. 1669 of 2005.

24. Counsel for the Respondent Defendant submitted that the very design in respect of which the registration has been granted in favour of the Plaintiff is already in the public domain and has been published earlier. The Respondents have relied upon the Design Registration Nos.319582 and 263373 issued by the US Patent Office to contend that there is no novelty as far as the Plaintiff's designs are concerned. In the first place it must be noticed that the reliance upon a design registered in the US cannot satisfy the requirements of Section 19 of the present Act which specifies the ground on which cancellation can be granted. Section 19 reads as under:

> "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 it has been previously registered in India;
> (b) that it has been published in India or in any other country prior to the date of registration;…"

25. We find that the Calcutta High Court has in ***Gopal Glass Works Ltd. v. Assistant Controller of Patents & Designs 2006 (33) PTC 434 (Cal)*** explained the position, with which we concur, as under:

> "39. The next question in issue before this Court is whether the finding of the Respondent No.1 that the document downloaded from the internet from the website of the Patent Office of the United Kingdom might be taken as prior publication of the impugned design, is legally sustainable.
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> 40. It is true that publication has not been defined in the 2000 Act. Yet, for reasons discussed above, mere publication of design specifications, drawings and/or demonstrations by the Patent Office of the United Kingdom, or for that matter, any other foreign country, in connection with an application for registration, would not, in itself, amount to publication that would render a design registered in India liable to cancellation."

26. The mere fact that there may have been a registration in the U.S in respect of similar bottles and caps cannot come in the way of the Plaintiffs seeking an order restraining the Respondent from infringing its registered design.

27. We accordingly set aside the impugned order dated 30th May 2007 passed by the learned Single Judge and restore the injunction granted by him on 20th February 2007. This injunction will continue till the disposal of the Suit. The appeal is accordingly allowed with costs of Rs.20,000/- which will be paid by the Respondents to the Appellant within a period of four weeks from today.

S. MURALIDHAR, J

CHIEF JUSTICE

DECEMBER 3, 2008
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