LL.M, 2nd Year, Business Law,Group-A, Subject- Law of Industrial And Intellectual Property

Second Part ( P.G.)

 **Industrial Design**

 Industrial designs belong to the aesthetic field, but are at the same time intended to serve as patterns for the manufacture of products of industry or handicraft. An industrial design is the ornamental aspect of a useful article. The ornamental aspect may consist of the shape and / or pattern and / or colour of the article. The ornamental aspect must appeal to the sense of sight. The article must be reproducible by industrial means, which is why the design is called “industrial”. If this latter element is missing, the creation may rather come under the category of a work of art, the protection of which is assured by the copyright law rather than by a law on industrial property.

 An industrial design must, according to some laws, be new and according to other laws, original. Industrial designs are usually protected against unauthorized copying or limitation. The protection usually lasts for five, ten, or 15years .The documents that certify the protection of an industrial design may be called a registration certificate or patent. If it is called patent, one must, in order to distinguish it from a patent for an industrial design.

 With the remarkable evolution in design art in recent years, consumers have become more and more interested in a combination of utility and pleasing aesthetic appearance in the articles they buy. This tendency results in an increasing investment by manufacturers in design development and in a corresponding necessity to protect the result of their creative work through the registration of the relevant designs.

 WIPO defines Industrial designs as –‘Industrial designs are applied to a wide variety of products of industry’. The protection for protecting industrial designs is generally for a period of 5 years initially and could be extended up to 15 years, protected for a limited duration and cannot be renewed. These can be sold or licensed. The reason behind protecting industrial designs is to make the article attractive and decorative. Hence, they add commercial value to the design and product and its market value is increased. One has to apply for its protection and obtain the certificate. Shapes and ornamentation are covered in this property.

Concept of design

 A design is shape of or feature applied to an article or product itself and may be applied to functional and non-functional class of articles. The non-functional bottle of perfume can be shaped with the particular design provided the shape of the bottle does not offend public policy or accepted principle of morality. Similarly, a functional key used for opening particular type of lock or bottle may be ornamental with a design. But if the design itself is essentially functional it will not come under the law of design. A registered is comprised of three essential elements namely, its representation or visual appearance in any tangible form, the originality and lastly the class of article in which the design is applied. A design which is not similar or substantially similar to the registered design, if applied to any class of article by a person will not affect the exclusive right of the registered owner. For the purpose of registration, the design excludes the mode or principle of construction or anything which is functional one being mechanical device and trade mark and artistic work which is protected under law of copyright. If the design is functional, it will not qualify for registrable design.

 The Industrial design under the national laws does not extend legal protection to the technical features of the article on which the design has been applied. A registered design can be applied to any product by its owner to the exclusion of a third party but the ownership of the design right does not confer the property right over the article or product. Therefore the design is independent of the item on which it is applied.

 The registered design confers copyright in the design. The copyright in the design is the exclusive right to apply a design in any class in which the design is registered. The protection of copyright in design mainly serves two purposes. First,design benefits the customers and producers of the items of exquisite design and thus boosts the innovativeness of the creators of designs. Second, having the exclusive right in the design, the author or the owner or the registered proprietor of the design can legally enforce his right to apply the design and prevent the third person from applying of the registered design on similar class or classes of goods without his consent.

Subject matter of designs

 An article is distinguished not only its utility but also by its visual appeal which too usually play an important role in shaping the buyers preference for the article. Therefore, the designs of an article and even design of its packaging is important from the commercial view point.

 The Designs Act, 2000, after repealing the Act of 1911 aims at the protecting the designs which serve the purpose of visual appeal. A design to be registerable under the Designs Act, 2000, must be some shape, configuration, pattern or ornamentation or composition of lines or colours applied to such article in any form by any industrial process or means but does not include any mode or principle of construction or anything which is in substance a mere mechanical device but does not include any Trade or Property mark or artistic work. Only particular class or articles can be registered under the Act. The design must be capable of being applied to an article in such a way that the article to which it is applied will appeal to and judged solely by the eye. The particular shape, configuration, pattern or ornamentation must have only an appeal.

 Designs which are not new or original or have been disclosed to the public anywhere in India or in any other country by publication, or not significantly distinguishable from known designs or combinations of known designs or comprise or contain scandalous or obscene matter are not registerable under the Designs Act.

 Novelty and Originality

 A design, for the purpose of registration must be both new and original, not previously published in India. It should be substantially different from pre-existing designs applied to the class of article. The introduction of ordinary trade variants into an old design cannot make it new or original. For example, colours may form an element in a design, but colour or colouring as such does not constitute a design, unless the change of colour creates a new pattern or ornament. In deciding the questing of novelty or originality, the evidence of experts in the trade is admissible. A design which is a fraudulent or obvious imitation of an existing design will be considered a pirated copy. Similarly a design of a water dispenser in a cylindrical shape has been held to be “no novelty” in Hello Mineral Water Pvt. Ltd, VS. Thermoking California Pure, 2000 (Delhi), on the ground that mere novelty of form or shape is insufficient. Novelty involves the presence of some element or new position of an old element in combination, different from anything found in any prior structure.

 The novelty or originality of a particular part of the article may be sufficient to impart the character of novelty and originality to the whole. A combination of know design may be considered novel if the appearance of the combination as a whole is new.

 The design must be substantially novel and substantially original, having regard to the nature and character of the subject matter to which it is to be applied workshop alterations which a skilled workman is expected to produce in his day to day business will not be considered novel, A combination of two or more old features may be registrable if the combination is not obvious but is new and original.

 Publication

 An application for registration of a design should be for a new or original design, not previously published in India. In order to constitute publication, a design must be made available to the public or it is shown to be disclosed to some person without any obligation to keep it a secret /confidential. It is not necessary the design should be actually used. The publication may be classified in to two types viz; (1) publication in prior document ; and (2) publication by prior user. If it is published already, it cannot be registered as a design under the Act. In Kemp and Company and Others VS. Prima Plastics Ltd; 2000, the Bombay High Court held that a disclosure of a design by the proprietor to any other person in good faith, is not deemed to be a publication of design sufficient to invalidate the copyright thereof, if the registration is obtained subsequent to the disclosure.

 For instance, if goods are imported from abroad and are used by the importer without its disclosure to anyone else and goods of such design are not available freely in India, then, possibly, can be said that there is no publication of the design of the goods so imported. However, if such imported goods are used in full view of general public, then the design of the goods so imported and use, will have to be regarded as having been published in India, apart from the fact that such a design, if later used for manufacture of goods in India, would not be regarded as a new or original-design. If for example, an importer imports a car which works on solar energy and eventhough the car

 so imported may be only are of its kind in India, but when it is driven on the roads here, it would mean that the design of the car has been made public in India.

 It is published if a design is no longer a secret. There is a publication if the design has been disclosed to the public or public has been put in possession of the design.

 It is sufficient, and there will be publication if the knowledge was either-

1. Available to members of the public; or
2. Actually in fact shown and disclosed to same individual member of the public who was under no obligation to keep it secret.

It is not necessary design should have been actually used. There will just as much be publication if it is shown that it was known to the public without ever having been actually put into use publication may be of two types- (a) publication in prior document, (b) publication by prior user.

History of Industrial Designs Law in India

 In British India, laws of U.K. were in force. In 1787, the first enactment was made in the U.K. for the protection of designs. In 1839 and 1842, new Acts came for the protection of designs in the U.K. In 1883, the Patents, Designs and Trade Marks Act, 1883 was made in the U.K. After 1905, with the enactment of separate Trade Marks Act of 1905 in the U,K., the Patents and Designs Law remained together.

 In British India, the first legislation was made as the Patents and Designs Act, 1872. Later the Inventions and Designs Act, 1888 was made to give protection to inventions and designs. On the lines of British Patents and Designs Act, 1907, the Indian Patents and Designs Act, 11 was enacted. The Patent 1970 repealed the provisions of the patents from Patents and Designs Act, 1911. Thereafter the Designs Act, 1911 and Designs Rules, 1933 continued in India to deal with designs.

 As India is a signatory of TRIPs of WTO, the Central Government enacted the Designs Act, 2000 by replacing the Designs Act, 1911. Designs Rules, 2991 replaced the Designs Rules, 1933. These two are intended for the protection of designing envisaged in the TRIPs Agreement for Industrial Designs.

 Application for registration of a Design

 The Proprietor can apply, Section 48(1) of the Design Act, 2000 lays down that any person who claims to be proprietor of any new or original design which is not previously published in India can apply for the registration of the design. Section 2(14) defines who a proprietor of a new or original design is-

1. Where the author of a design, for good consideration executes the work for some other person, proprietor means the person for whom the design is so executed, and
2. Where any person acquires the design or the right to apply the design to any article either exclusively or any other person or otherwise means in the respect and to the extent in and to which the design or right has been so acquired, the person by whom the design or right is so acquired, and
3. In any other case means the author of the design and where the property is or the right to apply has developed from the original proprietor upon any other person includes that other person.

If there are two persons each of whom has produced a similar design and communicated the fact of such authorship to the other, neither of them alone is the proprietor of a new or original design. There is joint authorship of the design.

 There is no express provision in the Design Act which bars foreigners from applying for registration. However, the convention followed that if a country does not offer the identical registration right to Indian citizens for their designs in their country, its citizen would not be eligible to apply for registration of design in India.

Procedure for registration of a design

 The procedure for registration consists of the following steps –

1. Submission of application,
2. Acceptance / objections/ refusal,
3. Removal of objection /appeal to Central Government,
4. Decision of Central Government,
5. Registration of a design.

Submission of application

 The proprietor of the design has to file application for registration of the design. According to section 43(1), the controller may on application made by any person claiming to be the proprietor of any new or original design not previously published in India, register the design. The application is to be accompanied by the prescribed fee.

Documents to be filed with the application

 The application shall be accompanied by four copies of the design and the applicant shall state the class in which the design is to be registered. The applicant is also to file a statement of novelty with the application.

Acceptance/Objection

 On consideration of the application if the controller finds that the design fulfils all the prescribed requirement, he shall register the design.

 If on consideration of the application may objections shall be sent to the applicant or his agent.

Removal of objection/ appeal to the Central Government

 The applicant has to remove the objection within one month of communication of the objection to him failing which the application shall be deemed to have been withdrawn. He may also apply to the controller for being heard on the matter, when the controller refuses the application after submission, he may directly appeal to the Central Government. Whole decision is final.

 Decision of Central Government

 The decision of the Central Government on the registrability of the design is final.

The Registration of the design

 On the completion of the above procedure, the controller shall grant a certificate of registration to the proprietor of the design.

\*\*The designs which are not registrable

1. Any mode or principle of construction. The protection is accorded for particular form of the article which is shown in the design registered.
2. Anything which is in substance a mere mechanical device. If the design is purely functional, it will not qualify for registration .The design will be functional if the shape of the article is dictated by the function without having appeal to the age.
3. Any trade mart as defined in clause (v) of subsection (1) of section 2 of Trade and Merchandise Marks Act, 1958.
4. Property mark as defined in section 479 of I.P.C.
5. Any artistic work defined in clause © of section 2 of the Copyright Act, 1957.
6. The common place designs which are not significantly distinguishable from known design or combination of known designs.
7. Designs which are obscene or scandalous,
8. The design of which the use would, in the opinion of the controller to be contrary of public order and morality.

Provisions regarding the piracy of a Registered Design

 Infringement of a copyright in design is termed as ‘Piracy of a registered design’. Section 22 of the Design Act 2000,deals with the provisions of piracy of registered design. During the existence of copyright in any design, it is not lawful for any person to do the following acts without the licence or written consent of the registered proprietor of the design:

1. for the purpose of sale to apply or cause to apply to any article in any class of articles in which the design is registered;
2. to import for the purpose of sale any article belonging to the class in which the design has been registered;
3. 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 to publish or expose for sale that article.

 A registered design is infringed where a person without the consent of the registered proprietor of a design applies the design or any fraudulent or obvious imitation thereof, to an article for which registration was granted. The term ‘imitation’ implies copying. A ‘fraudulent imitation’ is understood to mean a copy with differences that are both apparent and not so slight as to be insubstantial but which have been made merely to disguise the copying. An obvious imitation of a registered design is one that is a copy apparent to the eye notwithstanding slight differences.

 The independent evidence of actual copying of a design is only relevant to establish fraudulent imitation.

 In deciding whether the defendant’s article is an infringement of the registered design, one has to consider the essential features of the registered design and the scope of its monopoly. A design may have a striking feature which catches and holds the eye where one looks at the design. If another design is like the registered design but without the striking feature or an altered one that is not recognisable then it may not be an imitation.

 In case of design, infringement , the court has to determine whether the alleged infringement has the same shape or pattern and must eliminate the claim of similarity due to similarity of functions; eg. Similarity of functions would result when two articles have same shape due to inherent nature of goods. This element of functional similarity is to be eliminated. The judge has to look at the two articles and check out their similarities and differences and through eyes of the person with average intelligence see whether the defendant’s article is substantially different from that of the plaintiff.

Remedies against piracy

 It is the personal responsibility of the registered proprietor of a design to see that his design is not being infringed upon by others. If any person contravenes, the provisions of sub-section (1) of section 22 of the Act, he shall be liable for every contravention to pay to the registered proprietor of the design a sum not exceeding twenty-five thousand rupees as a contract debt, or if the proprietor elects to bring a suit for the recovery of damages for such contravention, and for an injunction against the repletion thereof, to pay such damages as may be awarded and to be restrained by injunction, accordingly; and the proprietor may file a suit for infringement against such person (the infringer).

 The remedy provided under sub-section (2) of section 22 of the Act is, only of civil nature. There is no provision for criminal proceedings against the piracy of design. The relief which may be usually awarded is such a suit are-

1. Injunction;
2. Damages.

Injunction

 Injunction may be temporary or permanent. The principles applicable to the grant of interlocutory injunction in the case of an infringement of patent apply in the case of piracy of registered design.

Damages

 If the registered proprietor of the design (the plaintiff) succeeds in an action for infringement of registered design, the defendant (the infringer) is liable to pay by way of compensations a sum not exceeding twenty five thousand rupees recoverable as a contract debt subject to a maximum of fifty thousand rupees. If the proprietor elects to bring a suit for the recovery of damages for any such contravention in section 22(1), e.g.; commercial application of the design to articles importation of the infringing articles and publication or exposure for sale of the infringing article and an injunction against the repetition thereof, to pay such damages as may be awarded. The amount of damages may be assessed on the same basis as in the patent infringement cases.

Jurisdiction

 No suit or any other proceeding for relief can be instituted in any court below the court of District Judge.

 Where any ground on which the registration of a design may be cancelled has been availed of as a ground of defence, 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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