

# amicus

An e-newsletter from  
**Lakshmikumaran & Sridharan**, New Delhi, India

January 2015 / Issue-42

Lakshmikumaran & Sridharan wishes you a very happy and prosperous New Year 2015

## Contents

### Article

Design registration in India – An overview..... 2

**Statutory Update**..... 5

**Ratio Decidendi**..... 5

**News Nuggets**..... 7

**January**  
2015



## Article

### Design registration in India – An overview

By **Aastha Aggarwal and Konpal Rae**

#### Introduction

The registration of designs in India is governed by the Designs Act, 2000, which was made effective from May 11, 2001, and the Design Rules, 2001. As per the Act, a design registration protects the features of shape, configuration, pattern, ornamentation or composition of lines or colors applied to articles. Since a design registration seeks to protect only the visual appeal of a design, it does not include in its scope any feature that is a mode of construction or mere mechanical device or any artistic work covered under the Copyright Act or any trademark covered under the Trademarks Act.<sup>1</sup>

Further, each design registration is directed to a single class of articles<sup>2</sup>, the class being selected based on a classification system provided in the Third schedule of the Act. The classification system is based on the International Classification System (Locarno Classification). A design registration exists for an initial period of ten years from the date of registration, which can be further extended for five years upon request<sup>3</sup>. The date of registration is the date of application for registration<sup>4</sup> except in the case of an application that claims priority from an application filed

previously in a convention country, in which case the date of registration is the date of filing of the priority application<sup>5</sup>.

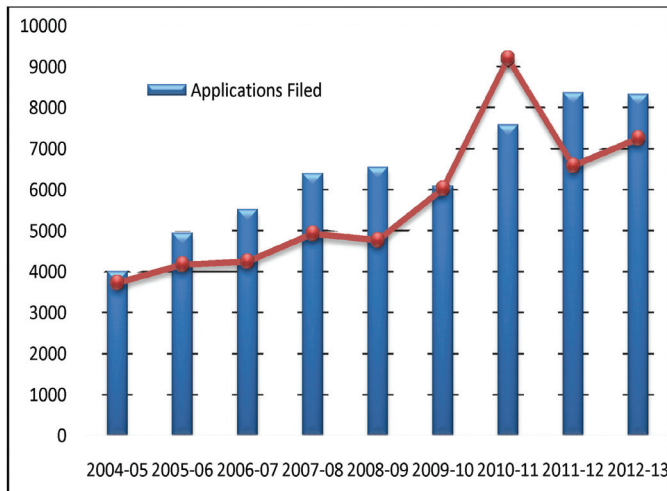
The design applications have to be filed with the Office of the Controller General of Patents, Designs, and Trade Marks (CGPDTM) at Kolkata, under the Department of Industrial Policy and Promotion (DIPP) in the Ministry of Commerce and Industry. This office conducts an examination and grants the registration if the application meets all formal and substantive requirements of the Designs Act, 2000. The applicant is provided with sufficient opportunity, including a hearing, to amend their application, within permissible limits, to conform to the registration requirements.

#### Trends in filing and registration

With the growing awareness about the strength of protection afforded by a design registration in India, there has been a significant growth in the number of applications over the past decade. The fact that the examination procedure for designs in India is relatively fast, with the process being generally completed within 1-2 years from the date of application, has further added to its attractiveness as an IP asset. The trend of number of design

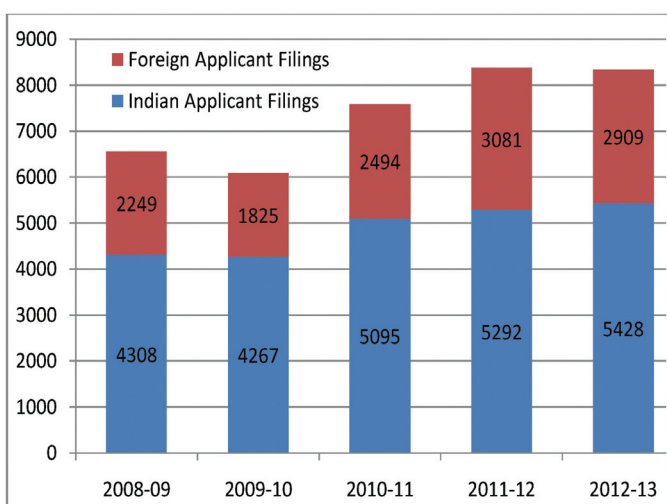
<sup>1</sup> Section 2 (d), Designs Act, 2000  
<sup>2</sup> Section 5(3), Designs Act, 2000  
<sup>3</sup> Section 11, Designs Act, 2000  
<sup>4</sup> Section 5(6), Designs Act, 2000  
<sup>5</sup> Rule 30(3), Design Rules, 2001

applications filed and registered in India over the past decade is illustrated in figure 1<sup>6</sup>.



Trend in number of design applications filed and registered

It is also interesting to note that more number of design applications are filed by Indian applicants than by foreign applicants as can be seen in figure 2. This is in contrast to the trend in patent application filing where more than 75% of the patent applications in India are filed by foreign applicants.<sup>7</sup>



Trend in design applications filed by Indian and foreign applicants

The industrial sectors in which the leading filers of design applications operate is also varied. Some of the industries in which the major filers operate include automobiles, heavy industries, consumer electrical and electronic goods, software and information technology products, fast moving consumer goods, apparels, commercial vehicles, construction, and sanitary ware.

While it is clear that the awareness about Design registration in India is growing, there is still considerable scope for further increasing the usage and efficiency of the design registration system. With this in mind, the Office of the CGPDTM is taking a number of steps, such as digitization of applications, online publication of information regarding registered designs, development of a public search platform, conducting public awareness programs, and the like<sup>8</sup>. Hence it is expected that the number of design applications filed and registered will keep showing an upward trend even in the near future.

### Highlights of the Design (Amendments) Rules 2014

In line with the on-going efforts towards improvement of the IP protection and enforcement ecosystem in India, Design (Amendment) Rules, 2014 were notified on 30 December 2014 by the DIPP and have been made effective from that date. Many of the amendments are similar to those brought into effect by the Patent (Amendment) Rules, 2014, and which had been discussed in IPR

<sup>6</sup> Data taken from statistics published in the Annual Report 2012-2013 of the Office of CGPDTM

<sup>7</sup> Data taken from statistics published in the Annual Report 2012-2013 of the Office of CGPDTM

<sup>8</sup> Annual Report 2012-2013 of the Office of CGPDTM

Amicus issue of March 2014. Some of the highlights of the Design (Amendments) Rules 2014 are listed here.

### **Categories of applicants**

While the previous Design Rules did not distinguish between different categories of applicants, the Design (Amendment) Rules 2014, notified two main categories of applicants i.e. 'natural person', and 'other than natural person'. The category of 'other than natural person' is further divided into 'small entity' and 'others except small entity'. It was also notified that each of the three categories would have varying fees. Thus, the categories of design applicants with varying fees now includes: 'natural person', 'small entity' and 'others except small entity'.

The identification/ meaning of who would qualify as a 'small entity' is the same as discussed in the article '*Patent (Amendment) Rules, 2014 - Certain issues with the definition of small entities*', in the IPR Amicus issue of March, 2014, and is based on clauses under Micro, Small and Medium Enterprise Development Act, 2006 and Industries (Development and Regulation) Act, 1951.

### **Fee schedule and fee payable by joint applicants of different categories**

With the notification of the different categories of applicants, the fee for each category has also been specified. The earlier fee schedule has been retained for 'natural person'. The fee for 'small entity' has been made twice that of the fee for 'natural person' and fee for 'other than small entity' has been made four times of the fee for 'natural person'. Even with this change

in fee for 'small entity' and 'other than small entity', the filing and prosecution of a design application in India remains inexpensive as compared to other jurisdictions. Further, in case of joint applicants of different categories, it has been clarified that the highest fee category of the applicant among the joint applicants will be applicable.

### **Differential fee payment on change in category of applicant**

The amended rules also prescribe the requirements for payment of difference in fees in a scenario when an application processed by a natural person is transferred to other than a natural person or from a small entity to other than a small entity.

### **Small entity claim for foreign applicants**

The Design (Amendment) Rules 2014 has tried to add clarity to a grey area that was left in the Patents (Amendment) Rules, 2014, with respect to documentary evidence required by a foreign applicant to qualify as a small entity and enjoy lower fees.

Form 24 of the Design Act, 2000 which is to be submitted for claiming the status of a small entity, needs to be submitted with every document for which a fee has been prescribed, in accordance with a new proviso under Rule 6. Further, as per Form 24, particulars of the document to be deposited by a foreign applicant include an affidavit by the applicant or authorized signatory in accordance with Rule 42 of the Designs Rules, 2001.

### **In a nutshell**

Design registration provides an additional means for protecting IP and is gaining

competitive advantage in the increasingly commoditized market environment that most organizations are operating in. In India, the registration procedure is relatively fast and less expensive, and the rights obtained are equally effective as the other forms of IP rights. Proprietors of new designs are taking notice

of this and the administration is responding to their requirements by upgrading the systems and processes for greater transparency, predictability, and efficiency.

**[The authors are respectively Associate and Joint Director, IPR Practice, Lakshmikumaran & Sridharan, New Delhi]**

## Statutory Update

**Design filing fees increased:** The Indian Patent Office has increased the official fees for design filing, prosecution, and maintenance with effect from 30th December 2014. Further, in the amended rules, the IPO has divided applicants into three categories, i.e., natural person, small entity, and others except small

entity. Based on the categories, official fees have been revised and a new Form 24 (for the small entity) has been introduced. For the others except small entity, the IPO has increased the official fees by 400%; and for the small entity it is 200%. Further, the official fees remain same for the natural person.

## Ratio Decidendi

**Validity of trademark can be questioned in infringement suit**

Court can go into the question of validity of registration of the plaintiff's trade mark at an interlocutory stage when the defendant takes up the defence of invalidity of the said registration in an infringement suit. Larger Bench of the Bombay High Court while holding so observed that court in such cases is not powerless to refuse to grant an injunction but for establishing these grounds, a very high threshold of prima facie proof is required. It was held that only in exceptional circumstances, like registration being *ex facie* illegal or fraudulent that interim injunction in favour of the registered proprietor of the trade mark is to be refused. The court in this regard noted that though a challenge to the validity

of the registration of the trade mark can finally succeed only in rectification proceedings before the IPAB, there is no bar on civil court to consider the challenge to the validity of the trade mark at interlocutory stage by way of a *prima facie* finding.

It was also noted that for the purpose of grant of injunction, no different parameters are to be applied in a case involving registered trademark. The court also observed that provisions of the Trade Marks Act, 1999 are not comparable with the provisions of the Designs Act, 2000 and the Patent Act, 1970, which contain express provisions to raise the ground of invalidity. [*Lupin Ltd. v. Johnson and Johnson* – Judgement dated 23-12-2014 in



Notice of Motion (L) No. 2178/2012 in Suit (L) No.1842/2012 and Appeal (L) No.674/2012 in Notice of Motion No.1533/2012 in Suit No.1171/2012, Bombay High Court]

### **Trademarks – Confusion between ‘Biocert’ and ‘Biocef’**

General Court (Ninth Chamber) of the Court of Justice of European Union has reversed the order of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) and held that there is a likelihood of confusion between the marks ‘Biocert’ and ‘Biocef’. Noting that the last two letters of the mark applied for, ‘r’ and ‘t’, are different from the last letter of the earlier mark, ‘f’, the court held that this difference alone does not counteract the similarity arising from the fact that the first five letters at the centre of the two signs, which are very similar in length, are identical. The finding of Board of Appeal that the signs at issue have a low visual similarity was hence reversed observing that the signs have at least an average degree of visual similarity. Further, noting that public will pronounce, in the same way, the vowel ‘c’, on which, in each of the marks, the syllable following the element ‘bio’ commences, the court reversed the finding of the Board and found the marks to have an average degree of phonetic similarity.

Finally, finding certain degree of conceptual similarity, the court held that given the identical or similar nature of the products, the average degree of distinctiveness of the marks, there

is likelihood of confusion between the marks, even if the public has a heightened level of attention. It was however held that likelihood of confusion would not grant any monopoly on the word ‘bio’. [*Novartis AG v. Office for Harmonisation in the Internal Market (Trade Marks and Designs)* – Judgement dated 10-12-2014 in In Case T-605/11, General Court at CJEU]

### **Ovum not inherently capable of developing into a human being – Patentability not excluded**

The CJEU ruled that an unfertilised human ovum whose division and further development have been stimulated by parthenogenesis is not a human embryo and therefore is not excluded from patentability. The proceedings related to refusal to register patent for method of producing pluripotent human stem cell lines from parthenogenetically-activated oocyte and stem cells so produced and methods of producing synthetic cornea. The court explained that in light of *Brüstle* (C34/10, EU:C:2011:669) a human embryo must be understood as an ovum which is inherently capable of developing into a human being though the words used are ‘capable of commencing the process of development of a human being’. In the instant case, the oocyte activated by chemical and electrical techniques did not contain paternal DNA and could not develop to term though it was capable of dividing and developing further. [*International Stem Cell Corporation v. CGPTDM, C-364/12, Judgement dated 18-12-2014*]

## News Nuggets

### Draft National IPR Policy

The IPR Think Tank released the first draft of the National IPR Policy on 19-12-2014. Striking a very interesting note, the draft records that one of its main objectives is to create awareness about benefits of IP since, traditionally knowledge has been viewed as something that is created and put in public domain. While stating that benefits of creation and innovation must serve larger interest of the society the policy observes that India's statutory framework is robust, effective and balanced. Also, while India will continue to adhere to international commitments, it will accord precedence to its national interest. The policy details the approach to building IP awareness, IP creation, monetising IP and IP protection. Some of the interesting points include steps to increase filing by Indians since over 75% of the filings in India are by foreign entities, first patent fee waiver to encourage medium and small scale enterprises to reduce their transaction costs, recognizing utility patents and increasing GI filings. To facilitate IP dispute resolution, it also emphasizes on establishment of special patent benches in courts, use of video conferencing, promotion of Alternate Dispute Resolution (ADR) in the resolution of IP cases by strengthening mediation and conciliation centres. It calls for establishing or designating a high level body in the Government to coordinate,

guide and oversee implementation and future development of IP in India in accordance with the National IP Policy.

### No wish to infringe

The new year witnessed, aptly perhaps, a decision on trademark infringement proceedings which was triggered by exchange of a Christmas card between the general counsels of the opposing parties. The England and Wales High Court (Chancery Division) in *Enterprise Holdings v. Europcar Group UK Limited* (13-1-2015) ruled on whether the use of 'e' in stylised lower case by both companies in relation to car rentals with green and white backgrounds did, in fact, confuse consumers and whether use by Europcar which entered the UK later amounted to infringement even if not wilful. The opening para of the judgement begins on weary note on the number of issues raised by parties and numerous other disputes related to the same subject and states that '*parties would be well advised to try to settle their differences on a global basis!*'

The court dwelt at length on what would constitute the average consumer/ relevant public and whether foreign nationals visiting UK or residing in UK were likely to be more or less confused and on the heterogeneous nature of population in UK. It decided, based on surveys conducted by the parties that consumers were likely to be misled since

the attention level would vary and would be medium at best. It did not accept the argument that claims for passing off are to be assessed from the perspective of the average consumer, who is reasonably well-

informed and reasonably observant and circumspect and observed that passing off is part of the English law of unfair competition which had not yet been harmonised within the European Union.

---

**Disclaimer:** *IPR Amicus* is meant for informational purpose only and does not purport to be advice or opinion, legal or otherwise, whatsoever. The information provided is not intended to create an attorney-client relationship and not for advertising or soliciting. Lakshmikumaran & Sridharan does not intend to advertise its services or solicit work through this newsletter. Lakshmikumaran & Sridharan or its associates are not responsible for any error or omission in this newsletter or for any action taken based on its contents. The views expressed in the article(s) in this newsletter are personal views of the author(s). Unsolicited mails or information sent to Lakshmikumaran & Sridharan will not be treated as confidential and do not create attorney-client relationship with Lakshmikumaran & Sridharan. This issue covers news and developments till 17th January, 2015. To unsubscribe, e-mail Knowledge Management Team at [newsletteripr@lakshmisri.com](mailto:newsletteripr@lakshmisri.com)

[www.lakshmisri.com](http://www.lakshmisri.com)

<http://cn.lakshmisri.com>