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Article

Issue of design-copyright interface – A ‘triable issue’

By **Jasneet Kaur & Sarita Rout**

The High Court of Madras, in a recent decision in the matter of *Standard Corporation India Inc., v. Tractors and Farm Equipment Ltd*¹, had an occasion to consider the popular issue of interface between copyright and design protection in case of an artistic work.

Tractors & Farm Equipment Ltd. (hereinafter referred to as “TAFE”) filed a suit for copyright infringement against Standard Corporation India Inc., (hereinafter referred to as “Standard”) alleging that the latter was infringing its copyright in the artistic work in the drawings for its tractors, by substantially reproducing the same. TAFE, therefore, sought relief of permanent injunction restraining Standard from doing so, as well as from passing off its tractors as those of TAFE.

The Single Judge granted a temporary injunction in favour of TAFE, whereafter Standard filed an application before the Single Judge, praying for rejection of plaint filed by TAFE under Order VII Rule 11 of the Code of Civil Procedure, 1908. Standard contended that the suit was statutorily barred under Section 15(2) of the Copyright Act, 1957 [“1957 Act” for short], which states that copyright, in respect of any design, capable of being registered under the Designs Act, 1911 [“Act, 1911” for short] and not so registered shall cease as soon as any article to which it applies has been reproduced more than fifty times, by an industrial process. The

Single Judge dismissed Standard’s application for rejection of suit; whereafter the latter preferred an appeal before the Division Bench of High Court of Madras.

Drawings registrable as a ‘design’

The foregoing contention of Standard brought to the fore the design-copyright conundrum, particularly *qua* artistic works, which has been protracted with varied and contrasting opinions. The design-copyright conundrum *qua* artistic works has been largely and contextually discussed and ruled upon in the decision of the Division Bench of the High Court of Delhi in the matter of *Microfibers Inc. v. Girdhar & Co.*², which was also intensively relied upon by Standard in the instant case.

In the instant case, Standard relied upon the observation made in *Microfibers* case to argue that the drawings in question were industrial designs and hence, TAFE ought to have registered the same as a design under the Designs Act, 2000 [“2000 Act” for short]; having failed to do so, it cannot seek any exclusive rights over the said drawings. Standard further contended that since TAFE had failed to secure design protection, and has admittedly applied the drawings for over hundred times by way of industrial process, it had lost copyright protection in the said design as well, as laid down under Section 15(2) of the Act, 1957.

¹ Dated 4-4-2014

² 2009 (40) PTC 519 (Del.) (DB)

TAFE, on the other hand, contended that the decision in *Microfibers* case would not apply since the drawings were ‘artistic works’ under the 1957 Act and being functional in nature, did not qualify as a ‘design’ capable of registration as per Section 2(d) of the 2000 Act.

Design-Copyright interface as per *Microfibers* case

With an intention to harmonize the design-copyright interface, the court in *Microfibers* case, laid down that Section 15 of the Act, 1957 merely extinguishes the copyright in the design applied to an article and not the copyright in the artistic work itself and the author of the original artistic work would continue to enjoy the protection under the Act, 1957 in this respect. If the design in the artistic work is registered under the Designs Act, it (i.e., the design) would lose its copyright protection. However, no copyright would be lost in the original work.

The court, in the *Microfibers* case, further held that in case the artistic work is registrable as a design and has not been so registered, then the said design would continue to enjoy the copyright protection under the Act, 1957 so long as the threshold limit of its application on an article by an industrial process for more than fifty times is reached. Once it crosses that limit, the design would lose copyright protection.

Rejection of *Plaint - Order VII Rule 11, CPC*

Standard also contended that since the drawings were not registered under the Designs

Act, 1911, TAFE did not enjoy any exclusive rights in this regard and since the artistic work in the said drawings had been industrially applied more than fifty times, the copyright in this respect had also ceased, as per Section 15(2) of the Act, 1957. Hence, TAFE was barred from bringing the suit for copyright infringement. Standard further relied on the decision of the High Court of Delhi in the matter of *Time Warner Entertainment Company L.P. & Ors v. RPG Netcom*³ wherein the court had observed that infringement of copyright is a statutory right conferred upon the author by the Act, 1957 and cannot be brought about *de-hors* the statute.

TAFE, on the other hand, contended that it was open to them to bring about an action of passing off against Standard, by way of a civil suit, seeking remedy against ‘deceit’ under the common law of Torts; however, accepting that the passing off cannot be claimed as a remedy under the Copyright Act, 1957.

Decision

The Division Bench upheld the order of the Single Judge and held that Standard had not shown sufficient cause or reason for interference with the said order. The Division Bench also upheld Single Judge’s finding that the civil suit filed by TAFE has raised triable issues and therefore, need to be decided upon at the stage of trial with the relevant evidence taken into consideration.

While dismissing the appeal filed by Standard, the Division Bench held that the latter had failed

³ 2007 (34) PTC 668 (Del) (DB)

to establish that the relief prayed for by TAFE was barred by law and ruled as follows:

“A right existing in a person or an entity to seek certain reliefs before a Court of law, when

disputes had arisen, cannot be curbed, at the outset, without having proper reasons to do so.”

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Ratio Decidendi

Copyright of design when the same not registered under Designs Act

Drawing/design which is an artistic work under the Copyright Act, as also under the Designs Act, 2000, if not registered under the latter Act, will have protection under the Copyright Act only till the design is used not more than 50 times by an industrial process to produce an article. Deliberating on provisions of Section 15(2) of the Copyright Act, 1957, the Delhi High Court held that owner of the copyright work (drawing/design) in such case will not be entitled to claim exclusivity in use of such drawing/design. The court in this regard noted that while copyright was claimed with respect to machine and the drawings which defined and declared a shape and measurement of the machine, no rights were claimed with respect to machine which manufactures a particular shape of the comb, under the Patents Act, 1970 or under the Designs Act. It was further held that reliance cannot also be placed on Section 14(c) once the copyright is lost under Section 15. The court finally set aside the injunction granted by the trial court and held the suit itself to be misconceived while it imposed costs on the respondent/plaintiff. [*Jagdamba Impex v. Tristar Products Private Ltd.* – Judgment dated 5-5-2014 in FAO No. 128/2014 and FAO No. 129/2014, Delhi High Court]

Confusion may not result from words conveying similar meaning

The rival marks were ‘Dhunseri Gold’ and ‘Sona’ used for tea. The holder of mark ‘Sona’ opposed registration of ‘Gold’ on the ground that both conveyed the same meaning, Gold being the English equivalent of Sona. The applicant for ‘Dhunseri Gold’ pleaded that it was a composite label mark and there was no likelihood of confusion. Further the respondent’s mark was also a composite mark with a device of a cup and saucer with it. Observing that composite marks should not be split into components for examination and examining the mark as a whole, the IPAB held that ‘Dhunseri Gold’ could be registered without any injury to the mark ‘Sona’. It directed that the font size of the word ‘Gold’ may be decreased so that it is not more prominent in the label and submit to the Registrar for processing. [*Dhunseri Tea & Industries Ltd v. Dy. Registrar of Trademarks*, Order dated 13-3-2014 in OA/54/2006/TM/KOL, IPAB]

Trademark – No infringement when label mark registered with condition of disclaimer disentitling exclusive use of word

Rajasthan High Court has held that trademark registered with a disclaimer disentitling the applicant-company from having exclusive right in the word “ZARI” would preclude it from setting up a case of infringement of its trademark

under the Trademarks Act, 1999 by the use of such word. In case of passing off, the court relying on Supreme Court judgment in the case of *Ramdev Food Products*, held that there was no possibility of deception or confusion as the allegedly offending trademark carried with it different characteristic such as font, composition and label design and had a different source of origin (products designed by partner of the other firm). It was noted that the mark of the applicant company was a label and not a word mark and

hence the applicant company had no exclusive right to the word 'ZARI' *per se* standing alone in goods covered under Class 24. Further noting that no market survey was filed to *prima facie* show that word 'Zari' inevitably meant a product of the applicant, the court set aside the trial court's order on injunction against appellant-defendant on use of its trademark "Zari". [*ZARI & Anr. v. ZARI Silk India Pvt. Ltd. – Order dated 29-4-2014 in S.B. Civil Misc. Appeal No. 3996/2013, Rajasthan High Court*]

News Nuggets

Test of actionable infringement

It is certainly not fair to copy (during) an exam. The district court in Louisiana recently dealt with a novel problem of copying of rather questions of an examination. The parties to the suit were engaged in preparing candidates for the state licensing exam. The plaintiff corporation alleged that 14 of its copyrighted questions out of sample question bank prepared by it had been used by the defendant without authorisation. The copyright protected question had been used in the business of the plaintiff for nearly a decade prior to the defendant's use. On the question of copyright, the court was willing to admit that there was similarity between the questions used though the pattern of question was different. However, it answered against the plaintiff on whether it amounted to actionable infringement. It opined that since only about 1.3% (14 out of 1083 copyrighted questions) of the material was copied, it was *de minimis*. It further observed that the questions were only

routine questions which were not essential to the overall work.

Why registering Tourbillion can be an uphill task

A tourbillion is a device to keep accurate time by countering effects of gravity. Of course, an ordinary user does not usually look for it and tourbillions are more about engineering and aesthetics. Swatch group sought to register the word and design (a pictorial representation) of a tourbillion but was refused on ground that both were descriptive. One of the interesting observations in the decision is that the design was the legal equivalent of the word TOURBILLION. The applicant held a design patent including among others, distinctive escapement design that appeared in the mark. But, the Trademark Trial and Appeal Board (TTAB) of the United States held that a design patent did not bestow an aura of distinctiveness. Another observation is that even if the design depicted only part of

the goods namely tourbillon being part of watch as a whole, it would still be descriptive of the goods. The applicant wanted to rely on a previous case of registration of trademark for boats where the design included sails. However, the TTAB declined to take up the analogy.

Legislation for labelling of GM foods

Labelling of foods in the United States was subject of much debate, particularly the WTO dispute in respect of country of origin. Labelling of genetically modified foods has also cropped up time and again as a trade issue between countries enacting laws for labelling and those which do not. The United States does not at present mandate labelling of GM foods. On May 8, Vermont became the first state to pass the bill requiring labelling of

GM foods failing which they will be treated as 'misbranded'. A bill has also been introduced in the US Congress to amend the Federal Food, Drug, and Cosmetic Act to require labelling of food produced from, containing, or consisting of a bioengineered organism and natural foods. A bioengineered organism is a plant, an organism which contains genetic information which has been modified and such modification was not possible using conventional breeding techniques. The amendments mandate a pre-market notification, at least 210 days before it is introduced in inter-state commerce. It contains exceptions for testing and development and food intended to be fed to an animal from which food is intended to be derived. The EU introduced GMO labelling requirements in 2004.

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