

KEY CONCEPTS

■ Design ■ Article ■ Artistic Work

Learning Objectives

To understand:

- Procedure for Registration of Designs
- Certificate of Registration
- Copyright on Registration
- Cancellation of Registration
- Piracy of Registered Design

Lesson Outline

- Design which are Prohibited of Registration
- Application for Registration
- Effect of Registration of Design
- Copyright on Registration
- Piracy of Registered Design
- Lesson Round-Up
- Test Yourself
- List of Further Readings
- Other References

REGULATORY FRAMEWORK

- Designs Act, 2000
- Designs Rules, 2001

INTRODUCTION

Industrial designs refer to creative activity which result in the ornamental or formal appearance of a product and design right refers to a novel or original design that is accorded to the proprietor of a validly registered design. Industrial designs are an element of intellectual property.

The first legislation in India for protection of Industrial Designs was The Patents & Designs Protection Act, 1872. It supplemented the 1859 Act passed by Governor General of India for granting exclusive privileges to inventors and added protection for Industrial Design. The 1872 Act included the term – any new and original pattern or design, or the application of such pattern or design to any substance or article of manufacture’.

The Inventions & Designs Act of 1888 re-enacted the law relating to protection of inventions and designs and contained provision relating to Designs in a separate part 3. The Patents & Designs Act enacted in 1911 also provided for protection of Industrial Designs. The Patents Act, 1970 repealed the provisions of the Patents and Designs Act, 1911, so far as they related to Patents. However, the provisions relating to Designs were not repealed and continued to govern the Designs Law.

India joined the WTO as a – member State in 1995. Consequently, the Patents & Designs Act, 1911 was repealed and the Designs Act, 2000 was enacted, to make the Designs Law in India TRIPS compliant. Article 25 of the World Trade Organization TRIPS Agreement, obliges Members to provide for the protection of independently created industrial designs that are new or original. A design which is not new or original; or which has been disclosed to the public anywhere; or which is not significantly distinguishable from known design or combination of known design; or which comprises or contains scandalous or obscene matter are prohibited for registration under the Design Act, 2000.

The objective of the Designs Act, 2000 is to protect new or original designs so created to be applied or applicable to particular article to be manufactured by Industrial Process or means. Sometimes purchase of articles for use is influenced not only by their practical efficiency but also by their appearance. The important purpose of design registration is to see that the artisan, creator, originator of a design having aesthetic look is not deprived of his bonafide reward by others applying it to their goods.

In the case of *Bharat Glass Tube Limited vs. Gopal Glass Works Limited, Appeal (Civil) 3185 of 2008 Judgement dated 1 May, 2008*, Supreme Court of India observed that:

“It may be mentioned here that in 1911 the Designs Act was passed by the then British Government in India. But with the advancement of science and technology and the number of registration of the design having increased in India, the Act of 1911 was amended wholesale by the Parliament and this new Act known as Designs Act, 2000 came to be introduced in the Parliament and the same was passed as such. The statement of objects and reasons read as under:

Since the enactment of the Designs Act, 1911 considerable progress has been made in the field of science and technology. The legal system of the protection of industrial designs requires to be made more efficient in order to ensure effective protection to registered designs. It is also required to promote design activity in order to promote the design element in an article of production. The proposed Design Bill is essentially aimed to balance these interests. It is also intended to ensure that the law does not unnecessarily extent protection beyond what is necessary to create the required incentive for design activity while removing impediments to the free use of available designs.

In fact, the sole purpose of this Act is protection of the intellectual property right of the original design for a period of ten years or whatever further period extendable. The object behind this enactment is to benefit the person for his research and labour put in by him to evolve the new and original design. This is the sole aim of enacting this Act. It has also laid down that if design is not new or original or published previously then such design should not be registered. It further lays down that if it has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration then such design will not be registered or if it is found that it is not significantly distinguishable from known designs or combination of known designs, then such designs shall not be registered. It also provides that registration can be cancelled under section 19 of the Act if proper application is filed before the competent authority i.e. the Controller that the design has been previously registered in India or published in India or in any other country prior to the date of registration, or that the design is not a new or original design or that the design is not registerable under this Act or that it is not a design as defined in clause (d) of section 2. The Controller after hearing both the parties if satisfied that the design is not new or original or that it has already been registered or if it is not registerable, cancel such registration and aggrieved against that order, appeal shall lie to the High Court. These prohibitions have been engrafted so as to protect the original person who has designed a new one by virtue of his own efforts by researching for a long time. The new and original design when registered is for a period of ten years. Such original design which is new and which has not been available in the country or has not been previously registered or has not been published in India or in any other country prior to the date of registration shall be protected for a period of ten years. Therefore, it is in the nature of protection of the intellectual property right. This was the purpose as is evident from the statement of objects and reasons and from various provisions of the Act.....”

In the case of Escorts construction Equipment Ltd. vs. Action construction Equipment Pvt. Ltd 1999 PTC 36(Del) at pp 39, 40, 48], Delhi High Court observed that the primary object the Act is to protect shape and not the function or functional shape. The expression design doesn't include a method or principle of construction or features of shape or configuration which is dictated solely by the function which the article to be made in that shape or configuration has to perform.

DESIGN

As per section 2(d) Design means only the features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and does not include any trade mark, as define in clause (v) of sub-section of Section 2 of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.

An artistic work as defined under Section 2(c) of the Copyright Act, 1957 is not a subject matter for registration which reads as follows:

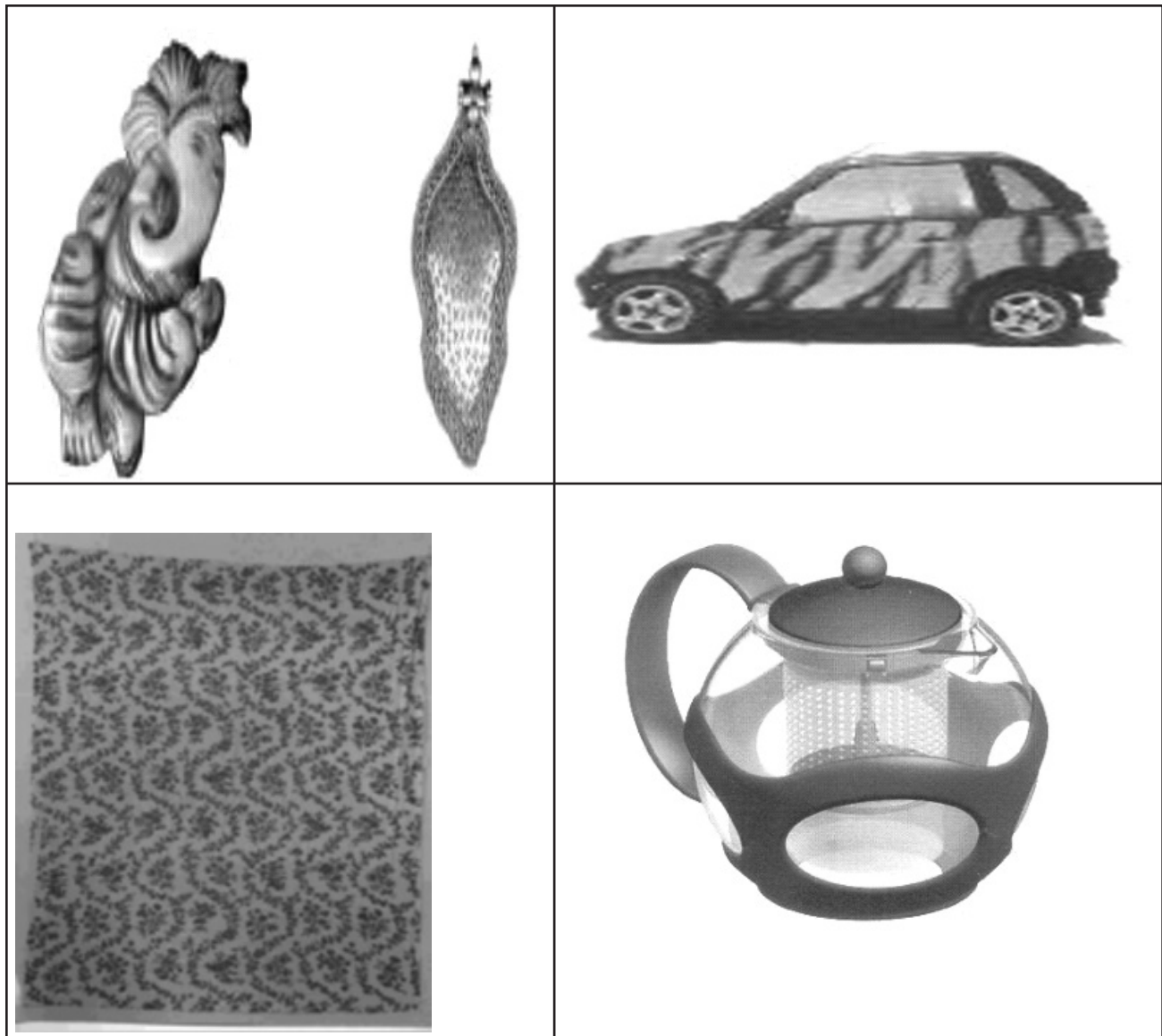
“Artistic works” means: -

- ***A painting, a sculpture, a drawing (including a diagram, map, chart or plan) on engraving or a photograph, whether or not such work possesses artistic quality;***
- ***An work of architecture; and***
- ***Any other work of artistic craftsmanship.***

A design or pattern covers the whole body or the goods and forms part and parcel of the goods but a trade mark is apart from and different from the goods for denoting the goods to be the manufacture or merchandise of a particular person. The copying of a design cannot, therefore, be treated as counterfeiting a trade mark. [Narumal Khemchand vs. The Bombay Co., Ltd., (1914), 25 Ind. Cas. 998]

Article means any article of manufacture and any substance, artificial, or partly artificial and partly natural; and includes any part of an article capable of being made and sold separately.

Design is one of the categories of IPR where the design system focuses on the aesthetic feature of an article derived from its visual appearance. Relevant aspects are the shape, configuration, surface pattern, the colour or line or a combination thereof as applied to an article which produces an aesthetic impression on the sense of sight. Following are the pictorial examples of design:



Source: 1. <https://ipindia.gov.in/writereaddata/images/pdf/design-registration.pdf>

2. *Design Registration in India (Office of the Controller General of Patent, Designs and Trademark).*

In the case of *Jayson Industries and Anr vs. Crown Craft (India) Pvt Ltd, CS(COMM) 580/2022, I.A. 13422/2022, I.A. 13425/2022, judgement dated 03.07.2023*, Delhi High Court inter alia observed that in order to understand the scope of the concept of a “design” under the Designs Act and the extent to which it is entitled to protection, one has to refer to the relevant provisions of the Designs Act in conjunction with the judgment of the Supreme Court in *Bharat Glass Tubes 2008 (10) SCC 657*, which is the only authoritative pronouncement from the Supreme Court on the point. The expression “design” is defined, essentially, in clause (d) of Section 2 of the Designs Act, as the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article, whether in two dimensional or three dimensional or in both forms, by any industrial process or means which, in the finished. The following features of the definition of “design”, as contained in the Designs Act, are of significance:

- i. The application of the features of shape, configuration, pattern, etc. to an article, in order for it to constitute a “design” may be two dimensional, three dimensional or both. No article, in its physical form, is two dimensional. Howsoever slim an article may be, it is, per definition, three dimensional. By extending the definition of “design”, to the application of shapes, configuration, patterns, etc. to articles even in two dimensional forms, the statute makes it clear that even a two dimensional representation of the application of features or shape, configuration, pattern etc. to an article would constitute a “design”.
- ii. The design is to be judged “solely by the eye”. The test to decide whether a particular application of shape, configuration, pattern, etc. to an article constitutes a design is, therefore, essentially ocular/visual.
- iii. Judged thus in an ocular/visual manner, the application of the shape, configuration, pattern, etc., to the article must appeal to the eye. Thus, it is not mere ocular assessment, but ocular appeal, which is necessary for a particular application of shape, configuration, etc. to an article, to constitute a “design”. Sans ocular appeal, there can be no design. Thus, unlike the Patents Act, which deals with inventions and judges their patentability on the basis of whether they involve inventive steps, the application of shape, configuration, etc., to an article, in order to constitute a “design”, must have ocular appeal, irrespective of whether it is inventive, or is or is not functionally superior to prior art.
- iv. The definition, as already noted, excludes any mode or principle of construction or anything which is in substance a mere mechanical advice. This expression, quite frankly, is not easy to comprehend. However, a Full Bench of this Court has, in *Mohan Lal v. Sona Paint & Hardwares (2013) 200 DLT 322 (FB)*, held thus:

“15. Before one proceeds further, it may be relevant to indicate here some well accepted principles which operate in the field of designs law. Design as is generally understood refers to the features of shape, configuration, pattern or ornament when applied to an article. It is for this reason that designs such as these are described as Industrial Designs. It is these designs which are covered under the Designs Act. Designs can be two dimensional or three dimensional. While pattern or an ornament would ordinarily be applied to an article; shape and configuration, become the article itself. Designs in that sense relate to the non-functional features of the article. Therefore, by necessary corollary, a design which has functional attributes cannot be registered under the Designs Act. This is the essence of Section 2(d) of the Designs Act. The protection under the Designs Act is granted only to those designs which have an aesthetic value or otherwise appeal to the eye. There may be, however, cases where the design while fulfilling the test of being appealing to the eye, is also, functional. [See judgment in the case of *Cow (P.B.) & Coy Ld. v. Cannon Rubber Manufacturers Ld.*30]. In this case the diagonal ribs on a hot water bottle were both appealing to the eye as well as functional. They were functional in as much as they permitted the heat to be radiated without singeing the user. The conundrum of functionality was resolved by taking note of the fact that it would make no impact on the articles functionality if, the ribs on the hot water bottle were either horizontal or vertical or even diagonal formations.”

In other words, if the feature, which distinguishes the finished article from prior art is merely functional, with no ocular appeal, it cannot constitute a “design”. At the same time, if the article, compared vis-à-vis prior art, has both ocular and functional appeal, then it would qualify as a “design”.

- v. “Article” is defined, in Clause (a) of Section 2, as “any article of manufacture...”. Thus, an “article” has to be a tangible entity. A design which merely exists in the mind of its creator, and is not to be applied to any article of manufacture is, therefore, no “design” within the meaning of the Designs Act. Abstract concepts are not registerable as designs.

Proprietor of a New or Original Design

- (i) Where the author of the design, for good consideration, executes the work for some other person, means the person for whom the design is so executed;
- (ii) Where any person acquires the design or the right to apply the design to any article, either exclusively of 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
- (iii) In any other case, means the author of the design; and where the property in or the right to apply, the design has devolved from the original proprietor upon any other person, includes that other person. [Section 2(j)]

Prohibition of Registration of Certain Designs

A design which prohibited of registration under Section 4 of the Design Act, 2000 are as follows:

- is not new or original; or
- has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration; or
- is not significantly distinguishable from known designs or combination of known designs; or
- comprises or contains scandalous or obscene matter, shall not be registered.

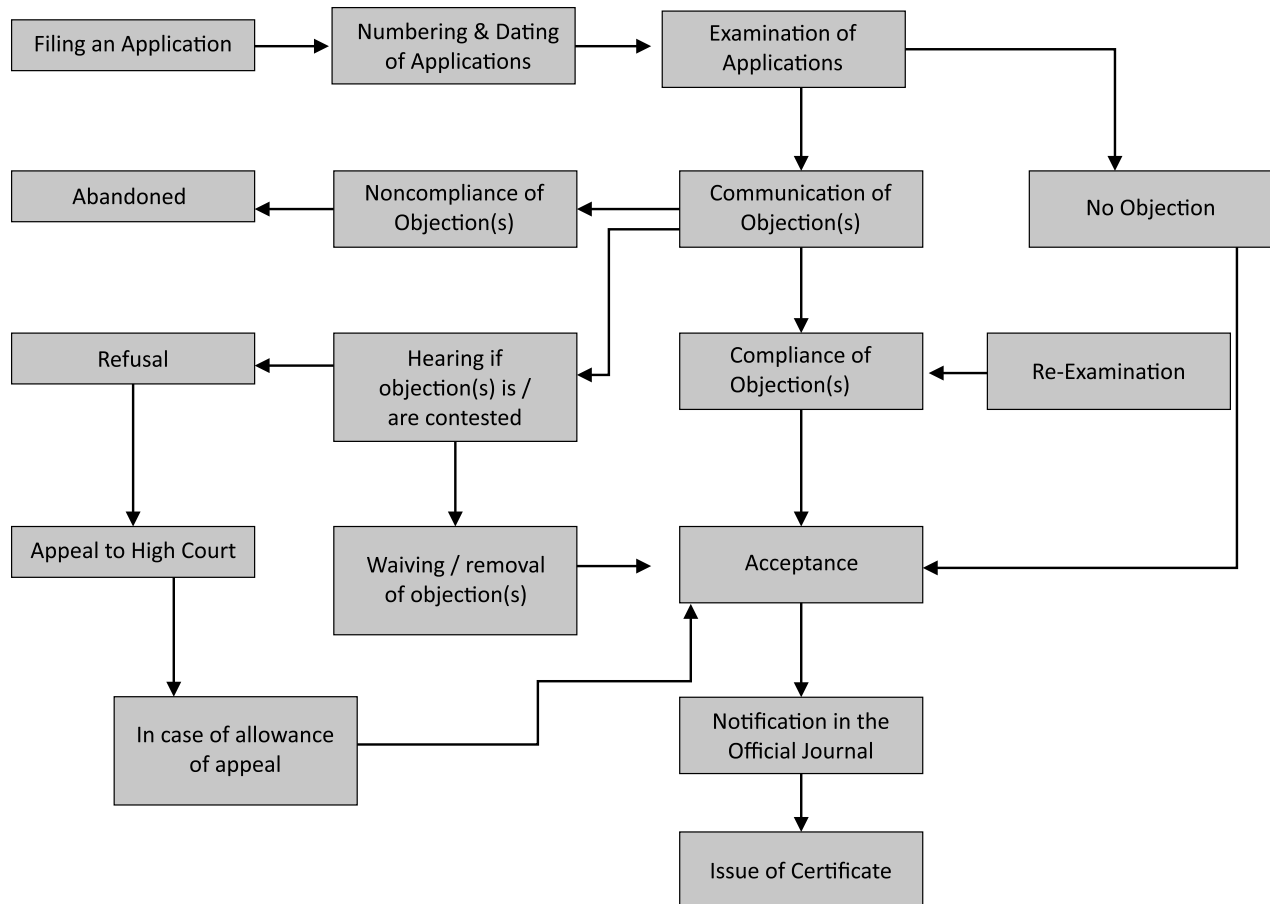
Hon’ble Supreme Court of India held that expression new or original appearing in Section 4 means that the design which has been registered has not been published anywhere or it has been made known to the public and that it had been invented for the first time or it has not been reproduced by anyone.

In the matter of M/s Brighto Auto Industries vs. Shri Raj Chawla (ILR 1978 (I) Delhi) it was held by the Honorable Court that new is taken generally to mean as different to what has gone before and original as something originating from the author. In the matter of novelty the eye has to be the ultimate arbiter and the determination has to rest on the general ocular impression. To secure recognition for its newness or originality it is imperative 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 preexisting design will not qualify it for registration taking into account the nature 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 the registration sought for the said part alone. Further it was held that it is the duty of the court to take special care that no design shall be counted new or original, unless it is distinct from what previously existed by something essentially new or original which is different from ordinary trade variants, which may have lost, been common matters of test or choice in that trade.

Application for Registration of Designs (Section 5)

- (1) The Controller may, on the application of any person claiming to be the proprietor of any new or original design not previously published in any country and which is not contrary to public order or morality, register the design under this Act.
- (2) Every application shall be in the prescribed form and shall be filed in the patent office in the prescribed manner and shall be accompanied by the prescribed fee.
- (3) A design may be registered in not more than one class, and, in case of doubt as to the class in which a design ought to be registered, the Controller may decide the question.
- (4) The Controller may, if he thinks fit, refuse to register any design presented to him for registration; but any person aggrieved by any such refusal may appeal to the High Court.
- (5) An application which, owing to any default or neglect on the part of the applicant, has not been completed so as to enable registration to be effected within the prescribed time shall be deemed to be abandoned.
- (6) A design when registered shall be registered as of the date of the application for registration.

Design Registration Process Workflow



Source: <https://ipindia.gov.in/writereaddata/images/pdf/design-registration.pdf>

Registration to be in respect of Particular Article (Section 6)

- (1) A design may be registered in respect of any or all of the articles comprised in a prescribed class of articles.
- (2) Any question arising as to the class within which any article falls shall be determined by the Controller whose decision in the matter shall be final.
- (3) Where a design has been registered in respect of any article comprised in a class of article, the application of the proprietor of the design to register it in respect of some one or more other articles comprised in that class of articles shall not be refused, nor shall the registration thereof invalidated —
 - (a) on the ground of the design not being a new or original design, by reason only that it was so previously registered; or
 - (b) on the ground of the design having been previously published in India or in any other country, by reason only that it has been applied to article in respect of which it was previously registered.

It may be noted that such subsequent registration shall not extend the period of copyright in the design beyond that arising from previous registration.

- (4) Where any person makes an application for the registration of a design in respect of any article and either—
 - (a) that design has been previously registered by another person in respect of some other article; or
 - (b) the design to which the application relates consists of a design previously registered by another person in respect of the same or some other article with modifications or variations not sufficient to alter the character or substantially to affect the identity thereof, then, if at any time while the application is pending the applicant becomes the registered proprietor of the design previously registered, the foregoing provisions of this section shall apply as if at the time of making the application, the applicant, had been the registered proprietor of that design.

Essential requirements for the registration of 'Design' under the Act

- *The design should be new or original, not previously published or used in any country before the date of application for registration. The novelty may reside in the application of a known shape or pattern to new subject matter.*
- *The design should relate to features of shape, configuration, pattern or ornamentation applied or applicable to an article.*
- *The design should be applied or applicable to any article by any industrial process.*
- *The features of the design in the finished article should appeal to and are judged solely by the eye. This implies that the design must appear and should be visible on the finished article, for which it is meant.*
- *Any mode or principle of construction or operation or anything which is in substance a mere mechanical device, would not be a registrable design. For instance a key having its novelty only in the shape of its corrugation or bent at the portion intended to engage with levers inside the lock associated with, cannot be registered as a design under the Act.*
- *The design should not include any Trade Mark or property mark or artistic works as defined under the Copyright Act, 1957.*

Publication of Particulars of Registered Designs

Section 7 of the Act provides that the Controller shall, as soon as may be after the registration of a design, cause publication of the prescribed particulars of the design to be published in such manner as may be prescribed and thereafter the design shall be open to public inspection.

Substitution of Applicant or Joint Claiming (Section 8)

- (a) Name of an applicant can be substituted or a joint claim can be made for an applied design, if the following requirements are met:
- i. The claim for substitution is made before the design has been registered; and
 - ii. Right of claimant shall be created only by:
 - An assignment;
 - Agreement in writing made by the applicant or one of the applicants; or
 - Operation of law;
 - iii. The design under consideration shall be identified in the assignment or agreement specifically by reference to the number of application for registration; or
 - iv. The rights of the claimant in respect of the design have been finally established by a Court.
- (b) A request for substitution of applicant shall be filed in Form-2 along with the required fee. If the above said requirements are fulfilled and the Controller is satisfied that, upon registration of design, the claimant would be entitled to any interest in the design the Controller may direct that the application shall proceed:
- i. in the names of the claimant(s); or
 - ii. in the names of the claimant(s) and the applicant or the other joint applicant(s), as the case may be.
- (c) However, in case of joint applicants, the Controller shall not pass such direction without with the consent of the other joint applicant(s);
- (d) In case, joint applicant(s) die(s) at any time before the design has been registered, a request may be made for substitution by the survivor(s) and the Controller may direct that the application shall proceed in the name of the survivors alone. However, no such direction shall be issued without the consent of legal representative of the deceased;
- (e) If case, there is any dispute between joint applicants as to whether or in what manner the application should be proceeded with an application may be made by any of the parties. The Controller may give such directions as he thinks fit for enabling the application to proceed in the name of one or more of the parties alone or for regulating the manner in which it should be proceeded with, or for both those purposes, as the case may be. However, the Controller shall not pass any such direction without giving an opportunity to be heard to all the concerned parties.

Certificate of Registration.

Under section 9 of the Design Act, the Controller grant a certificate of registration to the proprietor of the design when it registered.

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.

Effect of Registration of Design

The registration of a design confers upon the registered proprietor 'Copyright' in the design for the period of registration. 'Copyright' means the exclusive right to apply a design to the article belonging to the class in which it is registered.

Register of Designs

Section 10 of the Act provides that there shall be kept at the patent office a book called the register of designs, wherein shall be entered the names and addresses of proprietors of registered designs, notifications of assignments and of transmissions of registered designs, and such other matter as may be prescribed and such register may be maintained wholly or partly on computer, floppies or diskettes, subject to such safeguards as may be prescribed.

The register of designs shall be prima facie evidence of any matter by this Act directed or authorized to be entered therein.

Copyright on Registration

Section 11 provides that when a design is registered, the registered proprietor of the design shall, subject to the provisions of this Act, have copyright in the design during ten years from the date of registration. However, before the expiration of the said ten years, application for the extension of the period of copyright is made to the Controller in the prescribed manner, the Controller shall, on payment of the prescribed fee, extend the period of copyright for a second period of five years from the expiration of the original period of ten years.

High Court of Delhi in the case of *Microfibers Inc. vs. Girdhar and Co. and Anr.* had *inter alia* criteria observed the following guidelines:

- a. The definition of artistic work has a very wide connotation as it is not circumscribed by any limitation of the work possessing any artistic quality. Even an abstract work, such as a few lines or curves arbitrarily drawn would qualify as an artistic work. It may be two dimensional or three dimensional. The artistic work may or may not have visual appeal.
- b. The rights to which a holder of an original artistic work is entitled are enumerated in Section 14(c) of the Copyright Act.
- c. It is the exclusive right of the holder of a Copyright in an original artistic work to reproduce the work in any material form. For example, a drawing of an imaginary futuristic automobile, which is an original artistic work, may be reproduced in the three-dimensional material from using an element, such as a metal sheet.
- d. The design protection in case of registered works under the Designs Act cannot be extended to include the copyright protection to the works which were industrially produced.
- e. A perusal of the Copyright Act and the Designs Act and indeed the Preamble and the Statement of Objects and Reasons of the Designs Act makes it clear that the legislative intent was to grant a higher protection to pure original artistic works such as paintings, sculptures etc and lesser protection to design activity which is commercial in nature. The legislative intent is, thus, clear that the protection accorded to a work which is commercial in nature is lesser than and not to be equated with the protection granted to a work of pure Artistic.
- f. The original paintings/artistic works which may be used to industrially produce the designed article would continue to fall within the meaning of the artistic work defined under Section 2(c) of the Copyright Act, 1957 and would be entitled to the full period of copyright protection as evident from the definition

of the design under Section 2(d) of the Designs Act. However, the intention of producing the artistic work is not relevant.

- g. This is precisely why the legislature not only limited the protection by mandating that the copyright shall cease under the Copyright Act in a registered design but in addition, also deprived copyright protection to designs capable of being registered under the Designs Act, but not so registered, as soon as the concerned design had been applied more than 50 times by industrial process by the owner of the copyright or his licensee.
- h. In the original work of art, copyright would exist and the author/holder would continue enjoying the longer protection granted under the Copyright Act in respect of the original artistic work *per se*.
- i. If the design is registered under the Designs Act, the design would lose its copyright protection under the Copyright Act. If it is a design registrable under the Designs Act but has not so been registered, the design would continue to enjoy copyright protection under the Act so long as the threshold limit of its application on an article by an industrial process for more than 50 times is reached. But once that limit is crossed, it would lose its copyright protection under the Copyright Act. This interpretation would harmonize the Copyright and the Designs Act in accordance with the legislative intent.

What is the duration of the registration of a design? Can it be extended?

The duration of the registration of a design is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. This initial period of registration may be extended by further period of 5 years on an application made to the Controller before the expiry of the said initial period of ten years.

Restoration of Lapsed Designs

Section 12 of the Act provides that where a design has ceased to have effect by reason of failure to pay the fee for the extension of copyright, the proprietor of such design or his legal representative and where the design was held by two or more persons jointly, then, with the leave of the Controller one or more of them without joining the others, may, within one year from the date on which the design ceased to have effect, make an application for the restoration of the design in the prescribed manner on payment of such fee as may be prescribed.

An application under this section shall contain a statement, verified in the prescribed manner, fully setting out the circumstances which led to the failure to pay the prescribed fee, and the Controller may require from the applicant such further evidence as he may think necessary.

Can the Registration of a Design be cancelled?

According to Section 19 of the Act, the registration of a design may be cancelled at any time after the registration of design on a petition for cancellation in prescribed form with fee to the Controller of Designs on the following grounds:

- ***That the design has been previously registered in India; or***
- ***That it has been published in India or elsewhere prior to date of registration; or***
- ***The design is not new or original; or***
- ***Design is not registrable; or***
- ***It is not a design under Clause (d) of Section 2.***

Designs to bind Government

As per Section 20 a registered design shall have to all intents the like effect as against the Government as it has against any person and the provisions of Chapter XVII of the Patents Act, 1970 shall apply to registered designs as they apply to patents.

Piracy of Registered Design

During the existence of copyright in any design it shall not be lawful for any person, without the license or written consent of the registered proprietor:

- i. 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, or to do anything with a view to enable the design to be so applied;
- ii. to import such article for the purposes of sale;
- iii. to publish or expose or cause to be published or exposed for sale, that article.

What is Piracy of a Design?

Piracy of a design means the application of a design or its imitation to any article belonging to class of articles in which the design has been registered for the purpose of sale or importation of such articles without the written consent of the registered proprietor. Publishing such articles or exposing terms for sale with knowledge of the unauthorized application of the design to them also involves piracy of the design.

Industrial and International Exhibitions

The exhibition of a design, or of any article to which a design is applied, at an industrial or other exhibition to which the provisions of this section have been extended by the Central Government by notification in the Official Gazette, or the publication of a description of the design, during or after the period of the holding of the exhibition, or the exhibition of the design or the article or the publication of a description of the design by any person else-where during or after the period of the holding of the exhibition, without the privity or consent of the proprietor, shall not prevent the design from being registered or invalidate the registration thereof.

It may be noted that-

- (a) the exhibitor exhibiting the design or article, or publishing a description of the design, gives to the Controller previous notice in the prescribed form; and
- (b) the application for registration is made within six months from the date of first exhibiting the design or article or publishing a description of the design.

Appeal

An appeal lies to the High Court against an order passed by the Controller under the following provisions:

- i. an order under Section 5, refusing registration of a design;
- ii. an order under Section 19, passed in a cancellation petition;
- iii. an order under Section 31, passed in a rectification petition;
- iv. an order under Section 35, refusing registration on the ground of public order or morality.

Every appeal shall be made within three months of the date of the order of the Controller. The date of such order is the date on which the order is dispatched.

In calculating the said period of three months, the time taken in granting a copy of the order appealed against shall be excluded.

The High Court may, if it thinks fit, obtain the assistance of an expert in deciding such appeals, and the decision of the High Court shall be final.

LESSON ROUND-UP

- Industrial designs refer to creative activity which result in the ornamental or formal appearance of a product and design right refers to a novel or original design that is accorded to the proprietor of a validly registered design. Industrial designs are an element of intellectual property.
- The objective of the Designs Act, 2000 is to protect new or original designs so created to be applied or applicable to particular article to be manufactured by Industrial Process or means.
- Design means only the features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and does not include any trade mark, as define in clause (v) of sub-section of Section 2 of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.
- The registration of a design confers upon the registered proprietor 'Copyright' in the design for the period of registration. 'Copyright' means the exclusive right to apply a design to the article belonging to the class in which it is registered.
- Piracy of a design means the application of a design or its imitation to any article belonging to class of articles in which the design has been registered for the purpose of sale or importation of such articles without the written consent of the registered proprietor.

TEST YOURSELF

(These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation.)

1. What is meant by 'Design' under the Designs Act, 2000?
2. What is the object of registration of Designs?
3. What is the effect of registration of design?
4. What is piracy of a Design?
5. What is the penalty for the piracy of a registered Design?

LIST OF FURTHER READINGS

- Bare Act - The Designs Act, 2009 and rules made thereunder.
- Intellectual Property Laws and Practice – Elizabeth Verkey

WARNING

Regulation 27 of the Company Secretaries Regulations, 1982

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EXECUTIVE PROGRAMME
ECONOMIC, COMMERCIAL &
INTELLECTUAL PROPERTY LAWS
GROUP 2 • PAPER 6

(This test paper is for practice and self-study only and not to be sent to the Institute)

TEST PAPER

Time Allowed: 3 Hours

Maximum Marks: 100

All questions are compulsory.

Marks for each question is indicated alongside of the question.

PART-I: ECONOMIC AND COMMERCIAL LAWS

Question 1

- (a) Mr. 'X' an Indian resident had remitted an amount of USD 2,80,000 under Liberalised Remittance Scheme (LRS) for family maintenance in USA during the F.Y. 2022-23 which exceeded the prescribed limit of USD 2,50,000. The Bank had reportedly sought clarification from the Mr. 'X'. Mr. 'X' claimed ignorance stating that he assumed that the LRS limit was unlimited and hence did not declare the transactions done. Mr. 'X' was issued a Memorandum of Contravention advising him to remit back the excess amount.

In view of the above facts, answer the following:

- (i) Can remittances be made only in US Dollars? Is Mr. 'X' eligible for compounding of the contravention of Liberalised Remittance Scheme?
- (ii) Mr. 'X' had remitted an amount of USD 2,80,000 under Liberalised Remittance Scheme (LRS) for expenses in connection with medical treatment abroad? Will your answer be different in this situation?

(3 Marks Each)

- (b) "ABC Residency & Enclave," a duly registered welfare society, took the proactive step of filing an application with the District Consumer Disputes Redressal Commission. The application was on behalf of 12 allottees who had encountered significant issues with Shobha Ltd. a real estate developer. These allottees alleged that despite booking units with Shobha Ltd. on various dates and making substantial payments towards the purchase, they had yet to receive possession of their properties. However, the District Commission took a decisive stance, rejecting the complaint lodged by "ABC Residency & Enclave". Their decision rested on the assertion that "ABC Residency & Enclave" lacked the necessary legal standing, or locus standi, to file such a complaint. 'The Commission reasoned that "ABC Residency & Enclave" did not qualify as either a 'Consumer' or a 'Recognised' consumer association' under the applicable regulations. In light of this setback, "ABC Residency & Enclave" is now seeking to appeal against the District Commission's ruling.

Considering the above statements, answer the following questions:

- (i) Define Recognised Consumer Association as per Consumer Protection Act, 2019?
(1 Marks)
- (ii) Whether “ABC Residency & Enclave” is a ‘Recognized Consumer Association’ as per Consumer Protection Act, 2019? Explain.
(1 Marks)
- (iii) What is the Manner of filing Complaint to District Consumer Disputes Redressal Commission under Section 35 of the Consumer Protection Act, 2019?
(2 Marks)
- (iv) Can complaint be filed before Consumer Commission online? Explain.
(1 Marks)
- (v) To whom an Appeal can be filed by “ABC Residency & Enclave” against the order of District Consumer Disputes Redressal Commission and what is limitation period for doing so?
(1 Marks)
- (vi) What are the restrictions on filing an appeal against the order of District Consumer Disputes Redressal Commission?
(2 Marks)
- (vii) State the constitution of the District Consumer Disputes Redressal Commission.
(1 Marks)

Question No. 2

- (a) ABC Ltd. maintained a rest house for the use of its Employees, Managing director and other executives. It entered into an agreement with XYZ Ltd. for the installation of central air-conditioning system. The system installed did not function well, and there was leakage of water from the AC ducts. ABC Ltd. filed a complaint claiming compensation for deficiency in service under the Consumer Protection Act, 2019. Will ABC Ltd. succeed?
- (b) India’s Foreign Trade Policy (FTP) has, conventionally, been formulated for five years at a time and reviewed annually. The focus of the FTP has been to provide a framework of rules and procedures for exports and imports and a set of incentives for promoting exports. In view of this enumerate the key highlights of Foreign Trade Policy 2023.
- (c) What are Anti-Competitive Practices under Competition Act, 2002? State the factors, which are taken into account by the Competition Commission of India to determine whether Anti-Competitive Practices of an enterprise would have the effect of or is likely to have an appreciable adverse effect on competition in relevant market.

(5 Marks Each)

Question No. 3

- (a) M/S Lal Limited Liability Partnership incorporated under the LLP Act, 2008, invested five Billion US \$ in Australia. What are the obligations of the M/S Lal Limited Liability Partnership under Foreign Exchange Management (Overseas Investment) Rules & Regulation made thereunder, which has made direct investment outside India?

(4 Marks)

- (b) What are the permitted activities if SAS Inc. a company incorporated in USA want to set up a Branch office in India?
(4 Marks)
- (c) Discuss the application procedure for setting up of a Special Economic Zone (SEZ) under SEZ Act, 2005.
(4 Marks)
- (d) Discuss proceeds of crime under Prevention of Money Laundering Act, 2002 (PMLA). What are the actions that may be taken for not complying with the obligations under PMLA?
(3 Marks)

Attempt all parts of either Q.No.4 or Q.No.4A

Question No. 4

- (a) Pre-packaged commodity means a commodity which without the purchaser being present is placed in a package of whatever nature, whether sealed or not, so that the product contained therein has a pre-determined quantity. Discuss about pre-packaged declaration under Legal Metrology Act, 2009.
(4 Marks)
- (b) Who is a Fugitive Economic Offender? How is an individual can be declared a Fugitive Economic Offender under Fugitive Economic Offender Act?
(4 Marks)
- (c) Mr. 'A' purchases a house in the name of his daughter-in-law Ms. 'L'. Further, the property is sold to a lady name Ms. 'V', however, the consideration for the same is provided by her father-in-law. Discuss whether the house is the subject matter of the *benami transaction* under Benami Property Transactions Act, 1988.
(4 Marks)
- (d) Who is the 'Appropriate Government' as per the Real Estate (Regulation and Development) Act, 2016? What are the important responsibilities of the Appropriate Government under the Real Estate (Regulation and Development) Act, 2016?
(3 Marks)

OR (Alternate question to Q.No.4)

Question No. 4A

- (a) Foreign Trade Policy envisages, "Export should not merely be a function of marketable surplus but should also reflect an enhancement of economic capacity and development". Comment
- (b) Describe the conditions which do not require fresh approval of the Government for bringing in further foreign investment in a business entity under Foreign Direct Investment (FDI) in India.
- (c) While trying the suit under the provisions of the Competition Act, 2002, explain the procedure which is being regulated by the Competition Commission of India under Section 36 of the mentioned statute.
(5 Marks Each)

PART II: INTELLECTUAL PROPERTY LAWS**Question No. 5(a)**

ABC Inc. one of the world's largest and leading chain of hotels, is a company incorporated under the laws of the State of Delaware, United States of America. It is the holder and proprietor of the trade mark and service mark "ABC" in relation to hotel, restaurant, catering, bar, cocktail lounge, fitness club, spa services, etc. The trade mark "ABC" has been used by it for its hospitality business throughout the world since 1981. That it is one of the world's largest and leading chains of hotels. That it is using the trade mark "ABC" in India since 1981.

The ABC Inc. filed a suit before the trial court in India claiming a decree of permanent injunction to restrain the ACB Limited Incorporated in India engaged in the business of hotels and restaurants since 1992, from using the trade mark "ACB" or any other trade mark identical with the ABC Inc. franchising, licensing, dealing directly or indirectly in hotels, restaurant or hospitality services of any manner under the trade mark "ABC". Further, ABC Inc. pray before court to give direction to ACB Limited to deliver all the goods, label or any other printed material bearing the impugned mark "ACB" or "ABC" and claim for damages amounting to Rs.5,000,000/- for having used its trade mark.

In this backdrop answer the following issues with reasons:

- (i) Whether the ABC Inc. is the registered proprietor of the trade mark/service mark "ABC" under the Trade Marks Act 1999?
- (ii) Whether the ABC Inc. is the proprietor of trade mark/service mark "ABC" on account of prior adoption and use in relation to hotels and hospitality business?
- (iii) Whether the ABC Inc. proves that the defendant is infringing the trade mark of the plaintiff?
- (iv) Whether the ABC Inc. proves that the action of defendant is one of passing off?

(2 Marks Each)

Question No. 5(b)

- (i) Intellectual Property is the Property, which has been created by exercise of Intellectual Faculty. Comment.
- (ii) Briefly explain 'Geographical Indication' under Geographical Indications of Goods (Registration and Protection) Act, 1999? Give examples of Geographical Indication.
- (iii) "Over the past fifteen years, intellectual property rights have grown to a stature from where it plays a major role in the development of global economy." In the light of this statement, prepare a brief note on recent developments that have taken place in the regulatory regime of intellectual property in India.
- (iv) An invention may satisfy the condition of novelty, inventiveness and usefulness but it may not qualify for a patent under the certain situations. What types of inventions under Patents Act are not patentable in India?

(3 Marks Each)

Attempt all parts of either Q.No.6 or Q.No.6A

Question No. 6

- (a) "Patent information is more than just technological or legal information." In the light of this statement, enumerate the practical applications of patent information.

- (b) In 2023, XYZ Pvt. Ltd. started manufacturing of Cetadine Microbicidal solution consisting of a Providone Iodine combination which is being marketed in pack sizes of 100 ml and 500 ml bottles under the trademark CETADINE. It has been extensively advertised by the company. The bottles bear distinctive labels having distinct colour combination, layout and get up which qualify as original artistic work within Section 2(c) of Copyright Act, 1957 and is registered with the Registrar. "R. Pharma Works" manufactures microbicidal solutions in bottles with a label having an identical and/or substantially similar get up, layout and colour scheme as that of XYZ Pvt. Ltd. Its bottles contain the name Povidone Iodine Solution. XYZ Pvt. Ltd. instituted a suit against "R. Pharma Works" for infringement and consequent damages. What are the defences that "R. Pharma Works" can plead in its favour? Will XYZ Pvt. Ltd. succeed in the suit?
- (c) What are the grounds and procedure to register a patent under the law relating to patents in India? Once a patent is granted can it be challenged further? State your answer with reasons and relevant provisions.
- (d) Section 3(k) of the Indian Patents Act, 1970 states that "a mathematical or business method, a computer program per se or algorithms" are not considered to be inventions. However, it does not impose a blanket ban on patenting computer-related inventions in India. A software can be granted patent if it is attached with novel hardware, an invention which is unique and capable of industrial use. Why is software not directly patented in India? Does this help the Indian software business to grow? Examine critically.

(5 Marks Each)

OR (Alternate question to Q.No.6A)

Question No. 6A

- (i) What is the duration of the registration of a design? Can it be extended? How can the Registration of a Design be cancelled?
- (ii) What is meant by Trade Mark under the Intellectual Property Rights?
- (iii) "Section 9 of the Geographical Indications of Goods (Registration and Protection Act, 1999 prohibits registration of certain geographical indications." Discuss.
- (iv) "The Registrar of Copyrights shall have the powers of a civil court when trying a suit under the Code of Civil Procedure, 1908". Elaborate the statement in context with the Copyright Act, 1957.

(5 Marks Each)
