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PRESERVING CREATIVITY: LEGAL INSIGHTS INTO DESIGN PIRACY AND PROTECTION

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INTRODUCTION

Designs represent the organisation's product identity; thus, they significantly impact consumers' perception of products and brands. Finally, the look, form, design, pattern, or decoration of a product for use makes it beautiful, determines consumer choices, and therefore has additional utility. In a competitive world where differentiation through visual identity is crucial, design protection allows businesses and designers to safeguard the money they spend on developing new products and original concepts. Design protection is mainly helpful to industries where concepts change frequently and are easily recognisable by the general public, such as fashion, automobile, electronics, furniture industry, etc. Design registration allows inventors to protect their position in the market and create revenue streams without copycats or fakes producing similar designs. This outlines the legal basis for not allowing any other person or party to reproduce, imitate or copy a design that has been registered with a national or international design registry.

If the "copyright in a design" has been infringed, it is known as "Piracy of Design"⁷⁹⁹. As per Merriam-Webster, "Piracy" means *the unauthorised use of another's production, invention, or conception, especially in infringement of a copyright*. Piracy is a misuse of the original creator's creation, which reduces the significance of creativity and invention by providing substandard or lower-price imitations. Since they don't go through the process of creating the design and drawing funds towards the design to hire a designer, the pirates get to benefit from the design without putting in an effort or spending finances towards the design and development.

Section 22(1) of Design Act 2000 (hereinafter referred to as "of the Act") provides for the commission of any of the following three acts by a person other than the registered proprietor of that design of that design amounts to piracy of registered design. These acts are:

(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, except with the licence or written consent of the registered design to be so applied; or

(ii) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or

(c) 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 without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

Any of the aforesaid acts shall constitute piracy only when it is committed during the existence of copyright in any design. Further, it is necessary that the acts constituting piracy should have been done for the purpose of sale and not merely for private or personal use. It is further required that the forbidden acts have been done in relation to any article in any class

⁷⁹⁹ Sneha Mahawar, Piracy of Registered Designs and Remedies, iPleaders (2022), <https://blog.iPLEaders.in/piracy-of-registered-designs-and-remedies/> (last visited Nov 8, 2024).

of goods in which the design is registered and not in relation to other class of goods.⁸⁰⁰

In *The Wimco Limited v. Meena Match Industries*⁸⁰¹, the court stated that it was settled that the underlying principle behind the law of infringement of design was that, while the commercial exigencies required that a specific design should be protected, the monopoly of a trade in respect of a common design previously published should not be encouraged.

Furthermore, Section 22 of the Act uses the expression Piracy, but courts occasionally talk about infringement of designs. This is the only provision in which rights are granted in favour of the right holder. Thus, this is the provision which enacts rights forming part of Copyright in relation to registered designs⁸⁰².

In *Iag Co. Ltd. v. Triveni Glass Ltd.*⁸⁰³, the High Court said, "The Legislature combined in section 22 of the Act both the substantive and procedural laws:

- (i) Actions that shall not be lawful with respect to an existing copyright have been described – necessarily a field of substantive law;
- (ii) Liability, i.e., the end product of the administration of justice towards protection of the copyright in the design, has been specified – once again a matter of substantive law;
- (iii) Forum has been identified for enforcing the right – being the means to enforce the right, a matter of procedural law;
- (iv) A right regarding defence of the person sued has been declared – being an express statutory right of defence (as opposed to a usual right of defence envisaged by the rule of procedural fairness) to challenge the existence of the copyright which is sought to be enforced, it cannot but be a matter of substantive law".

FORMS OF DESIGN PIRACY

Piracy in the design industry manifests in several ways, each posing unique challenges for design owners:

1. **Direct Copying:** Copies of a registered design are copied directly. It is particularly

common in the fashion and accessories industry, where many have copied the designs of top-end brands.

For instance, in the fashion business, pirated handbags are closely imitative of designer patterns, logos, and styles. Though largely bad news for the luxury brand, an entirely financial and a brand exclusivity dilution aspect exists. Some consumers might unknowingly purchase a pirated product and assume it is the original that would be reflective about their perception of quality if the counterfeit piece is of bad quality.

2. **Imitation:** In this event, infringers would only change the design to suit them. They can change minor aspects so that the original design is not easily recognisable yet reap the benefits of the original appeal of the design.

For example, in cell phone accessories, casings and covers are ripping off concepts from big manufacturers such that the styling or layout is characteristic of the expensive electronics. Semi-copyrighted commodities provide easier channels for pirates to sell products that might look similar to the original commodities but will not undergo expensive procedures of developing a design and branding of the product. Actually, this type of piracy is harder to crack since minor changes make up a more complicated case if taken to the courts for infringement claims.

3. **Counterfeits:** This exceeds a mere design imitation and encompasses branding elements that produce seemingly original products but bearing trademarks or labels to mislead buyers.

A good example of counterfeit products is luxury watches. In fact, Rolex, Cartier, and Omega are some of the brands most targeted by counterfeits. The replica looks identical to the genuine product, with similar logos, model names, and designs. Such criminals prey on the same consumers whom the high-priced items are expected to target but who cannot afford them. Counterfeiting is more severe because it could drive away trust in the brand by the consumer if buyers mistakenly purchase counterfeit products as authentic.

⁸⁰⁰ V K Ahuja, Intellectual Property Rights in India (2nd ed. 2015).

⁸⁰¹ *The Wimco Limited v. Meena Match Industries*, AIR 1983 Del. 537

⁸⁰² Ashwani Kr. Bansal, *Designs Law* (2012).

⁸⁰³ *Iag Co. Ltd. v. Triveni Glass Ltd.*, (2004) 3 Cal LT 71 HC

THE DISTINCTION BETWEEN “OBVIOUS IMITATION” AND “FRAUDULENT IMITATION”.

In fact, any unauthorised application of the registered design or a fraudulent or obvious imitation thereof to any article covered by the registration for trade purpose or the import of such articles for sale is a piracy or infringement of the copyright in the design. A distinction is made between a 'fraudulent' and 'obvious' imitation. In both cases, the design applied must be an imitation of the registered design. In the case of fraudulent imitation, the imitation need not be obvious. It is sufficient if it is fraudulent, that is to say, the imitation has been made with the intention to deceive another person with the knowledge that what is being done is a violation of the other person's rights. In the case of an obvious imitation, the imitated article must be closer to the genuine article than the merely imitated article. The test of determining whether the design is an imitation is for the eye because the finished article bearing the design must appeal and is solely judged by the eye.⁸⁰⁴

Furthermore, In *Castrol India Ltd. v. Tide Water Oil Co. (I) Ltd.*⁸⁰⁵, the Calcutta High Court held that it was not every resemblance in respect of the same article which would be actionable at the instance of the registered proprietor of the design and that the copy must be a fraudulent or obvious imitation but, then the word imitation would not mean duplication in the sense that the copy complained of need not be an exact replica.

DESIGNS WITH SMALL MODIFICATIONS

Sometimes, the design gets registered after another design with minor modifications has already been used. The registered design proprietor may intervene after the use of the previous design, and in such a case, the only remedy for the earlier design is to seek cancellation or rectification of the registered design.

If the difference between the registered design and the existing design is so slight, minor variations of another type may be sufficient to prevent piracy. The reason for this is that it would be difficult to conclude that the plaintiffs' design was sufficiently innovative to justify his registration as a new and original design without also concluding that the defendants' design is so distinct that it cannot be construed to violate section 22 of the Act. Where the subject matter is well known, little variations will prevent piracy. The area of protection narrows as the subjects of the design become more well-known.

If the design is highly similar to previous designs, the plaintiffs must demonstrate that the article complained of is an exact replica of the plaintiffs' design in order to win in piracy. In such instances, even little or insignificant differences are sufficient to prevent piracy.

REMEDIES AGAINST DESIGN PIRACY

The Design Act provides two alternative remedies to the proprietor of registered design under section 22(2). The proprietor has to elect one of them.⁸⁰⁶

Section 22(2)(a) provides that if any person acts in contravention of section 22, he shall be liable to pay the registered proprietor of the design a sum not exceeding Rs. 25,000/- for every contravention recoverable as a contract debt. But the total sum recoverable in respect of any one design shall not exceed Rs. 50,000/-.

Section 22(2)(b) provides that the proprietor may bring a suit for the recovery of damages for any such contravention and for an injunction against the repetition thereof. If he succeeds, he will be entitled to recover such damages as may be awarded by the court and restrain the defendant in terms of the injunction granted by the court.

As already discussed, a plaintiff cannot avail both the remedies. He has to elect one of them. In *Calico Printers Association Ltd. v. Gosho Kabushiki Kaisha Ltd.*⁸⁰⁷, the Bombay High Court

⁸⁰⁴ V.S.R Avadhani & V. Soubhagya Valli, Law of Intellectual Property Rights (1st ed. 2014).

⁸⁰⁵ *Castrol India Ltd. v. Tide Water Oil Co. (I) Ltd.*, 1996 (16) PTC 202

⁸⁰⁶ V K Ahuja, Intellectual Property Rights in India (2nd ed. 2015).

⁸⁰⁷ *Calico Printers Association Ltd. v. Gosho Kabushiki Kaisha Ltd.* AIR 1936 Bom 408

ruled that the defendant has a right to ask the plaintiff to elect between the remedies available to him under section 22(2)(a) and 22(2)(b) of the Act, at an early stage of the trial.

Additionally, an aggrieved party may also avail of other remedies apart from those mentioned under Design Act 2000⁸⁰⁸:

(i) Injunction: It's a court order that mandates an individual or corporation to either refrain from a particular activity or initiate a specified action. It can be of three types:

(a) Temporary Restraining Orders (TROs): These are issued in emergencies to prevent immediate harm. They are usually short-term and can be granted without a full hearing.

(b) Preliminary Injunctions: These are issued during ongoing legal proceedings to maintain the status quo until a final decision is made.

(c) Permanent Injunctions: These are issued after a full trial and remain in effect indefinitely.

(ii) Account of profits: Instead of claiming damages, an aggrieved person is also provided with the right to claim profits made by the infringer during the unauthorised use of design. In the case of *Three - N- Products Private Limited v. Manchanda Enterprises & anr*⁸⁰⁹. The court directed the respondent to maintain the accounts in respect of its sale until the suit was decided.

CONCLUSION

Design piracy remains an ingrained evil of long-standing, especially in those industries that are more focused on aesthetics, brand acknowledgement, or consumer loyalty. Illicit copying or imitation of the registered designs not only undermines the creative efforts put in by the designers but also dilutes the market value and reputation of brands.

At its core, design protection is about maintaining originality and rewarding creativity. Registered Designs provide creators with a strong tool to prevent others from unfairly

profiting from their innovations. However, this has been difficult to apply due to enforcement in the face of increasing digital globalisation of the marketplace. E-commerce has been rapidly extended into fast transborder distribution. Monitoring and enforcing design rights is now more difficult because design owners have had to penetrate foreign markets where local variations in enforcement may either work for them or against their efforts at countering piracy.

Piracy also has economic effects on companies. The sale of pirated or counterfeit designs often deprives the original creators of some revenue. Moreover, it threatens to put smaller businesses in financial instability. Piracy will also affect consumer confidence because pirated products are of a lower quality compared with originals, and they do not live up to the exact standards of the original brand. This gap between an illegal product and its authentic brand may frustrate the customer and, hence, encourage a negative perception of the brand.

Fighting design piracy is very costly. Litigations and court cases are not only costly but also do not favour SMEs, as they can't aggressively pursue individuals or firms that infringe on their copyrights. Even when a case is won in court, legal costs and time spent may be equal to the sum recovered by way of damages. Thus, prevention measures are as vital as legal cures. Taking preventive measures entails early design registration, constant monitoring of the market, and public education among consumers to strengthen the defences against piracy.

Piracy prevention is not solely the prerogative of the owners of the design. The consumers, too have their part to play. The growing awareness of the consumer about the need to purchase original products can be a mitigating factor in reducing counterfeit demand. Educational campaigns by brands and industry bodies can create awareness about the social, economic, and creative harm caused by buying pirated products. Consumption of counterfeits is likely to be avoided once there is an understanding

⁸⁰⁸ Nikita Verma, Design Piracy Unveiled: Insights into Registered Design Theft - Intepat IP, Intepat IP (2024), <https://www.intepat.com/blog/design-piracy-unveiled-insights-into-registered-design-theft/> (last visited Nov 10, 2024).

⁸⁰⁹ *Three - N- Products Private Limited v. Manchanda Enterprises & anr*, 2002(25) PTC 607 (Cal)

that this supports the original creators and value.

Legal protections for registered designs form the foundation. Still, a holistic response is needed at all levels: being proactive and not merely reactive, combining legal protections with vigilant monitoring, strategic registration, education among consumers, and, if possible, cooperation with law enforcement. The approaches needed to safeguard design rights evolve with changes in markets. All these can be achieved by building a culture of genuineness and intellectual property respect, allowing innovation and creativity to find fertile soil where people will be rewarded. At the same time, design piracy is reduced to the barest minimum. Here, innovatory impulses by designers will be safeguarded and their novel work protected so that consumers can rely on quality and integrity. Lastly, design piracy is essentially a cause for maintaining the principles of originality, creativity, and fair competition, where all parties win in a healthy and dynamic marketplace.

