



2025:DHC:5037-DB



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 16 April 2025
Pronounced on: 1 July 2025

+ RFA (OS) (Comm) 22/2019

M/S CROCS INC USAAppellant

Through: Mr. J. Sai Deepak, Sr. Adv.
with Mr. S.K. Bansal, Mr. Ajay Amitabh
Suman, Mr. Gaurav Gogia, Mr. Deepak
Shrivastava and Mr. R. Abhishek, Advs.

versus

M/S BATA INDIA & ORSRespondents

Through: Mr. Neeraj Grover, Ms.
Mohona Sarkar and Mr. Kashish Vij, Advs.

+ RFA (OS) (Comm) 23/2019

M/S CROCS INC USAAppellant

Through: Mr. J. Sai Deepak, Sr. Adv.
with Mr. S.K. Bansal, Mr. Ajay Amitabh
Suman, Mr. Gaurav Gogia, Mr. Deepak
Shrivastava and Mr. R. Abhishek, Advs.

versus

M/S LIBERTY SHOES LTD & ORSRespondents

Through: Mr. Saikrishna Rajagopal, Mr.
Julien George, Mr. Arjun Gadhoke, Ms.
Deepika Pokharia and Ms. N. Parvati, Advs.

+ RFA (OS) (Comm) 24/2019

M/S CROCS INC USAAppellant

Through: Mr. J. Sai Deepak, Sr. Adv.
with Mr. S.K. Bansal, Mr. Ajay Amitabh
Suman, Mr. Gaurav Gogia, Mr. Deepak



2025:DHC:5037-DB



Shrivastava and Mr. R. Abhishek, Advs.

versus

AQUALITE INDIA LIMITED & ANRRespondents
Through: Mr. CA Brijesh, Mr. Ishith
Arora, Ms. Simranjot Kaur, Advs.

+ RFA (OS) (Comm) 25/2019

M/S CROCS INC USAAppellant

Through: Mr. J. Sai Deepak, Sr. Adv.
with Mr. S.K. Bansal, Mr. Ajay Amitabh
Suman, Mr. Gaurav Gogia, Mr. Deepak
Shrivastava and Mr. R. Abhishek, Advs.

versus

M/S BIOWORLD MERCHANDISING INDIA LTD
& ANRRespondents
Through: Mr. Anil Dutt, Adv. for R-1

+ RFA (OS) (Comm) 26/2019

M/S CROCS INC USAAppellant

Through: Mr. J. Sai Deepak, Sr. Adv.
with Mr. S.K. Bansal, Mr. Ajay Amitabh
Suman, Mr. Gaurav Gogia, Mr. Deepak
Shrivastava and Mr. R. Abhishek, Advs.

versus

M/S RELAXO FOOTWEAR LTDRespondent
Through: Mr. Gaurav Miglani, Adv.

+ RFA (OS) (Comm) 27/2019

M/S CROCS INC USAAppellant

Through: Mr. J. Sai Deepak, Sr. Adv.
with Mr. S.K. Bansal, Mr. Ajay Amitabh
Suman, Mr. Gaurav Gogia, Mr. Deepak



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Shrivastava and Mr. R. Abhishek, Advs.

versus

M/S ACTION SHOES PVT LTD & ORSRespondents
Through: Nemo

+ FAO (OS) (Comm) 358/2019 & CM APPL. 53349/2019
DART INDUSTRIES INC & ANRAppellants
Through: Mr. Hemant Singh, Ms. Mamta
Rani Jha, Ms. Shruttima Ehersa, Mr. Rohan
Ahuja and Ms. Diya Viswanath, Advs.

versus

VIJAY KUMAR BANSAL & ORSRespondents
Through: Mr. N. Mahabir, Mr PC Arya,
Ms. Parveen Arya, Ms. Noopur Biswas, Mr.
Udit Gupta, Advs.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE AJAY DIGPAUL

JUDGMENT
01.07.2025

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C. HARI SHANKAR, J.

1. These appeals arise out of two orders passed by a learned Single Judge of this Court. A tabular representation of the appeals and the orders against from which they arise may be presented thus:

Appeal No.	Name	CS (Comm) No.	Date of impugned judgment
FAO (OS) (Comm)	Dart Industries Inc & Anr. v	837/2016	17 July 2019



358/2019	Vijay Kumar Bansal & Ors.		
RFA (OS) (Comm) 22/2019	Crocs Inc USA v Bata India Ltd. & Ors.	569/2017	18 February 2019
RFA (OS) (Comm) 23/2019	Crocs Inc USA v Liberty Shoes Ltd. & Ors.	1415/2016	18 February 2019
RFA (OS) (Comm) 24/2019	Crocs Inc USA v Aqualite India Ltd. & Anr.	903/2018	18 February 2019
RFA (OS) (Comm) 25/2019	Crocs Inc USA v Bioworld Merchandising India Ltd. & Anr.	906/2016	18 February 2019
RFA (OS) (Comm) 26/2019	Crocs Inc USA v Relaxo Footwear Ltd.	571/2017	18 February 2019
RFA (OS) (Comm) 27/2019	Crocs Inc USA v Action Shoes Pvt. Ltd. & Ors.	905/2016	18 February 2019

2. By the common judgment under challenge, dated 18 February 2019, passed in CS (Comm) 903/2018, CS (Comm) 905/2016, CS (Comm) 906/2016, CS (Comm) 1415/2016, CS (Comm) 569/2017 and CS (Comm) 571/2017¹, the learned Single Judge has dismissed all five suits as not maintainable. As such, the learned Single Judge has held that it is not necessary to examine the applications filed by the appellant – plaintiff in the said suits, under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908².

3. In RFA (OS) (Comm) 22-27/2019³, preferred by Crocs Inc USA⁴, challenging the aforesaid judgment dated 18 February 2019 of the learned Single Judge, a Division Bench of this Court, on 29 May

¹ “the Crocs suits” hereinafter

² “CPC”, hereinafter

³ “the Crocs appeals” hereinafter

⁴ “Crocs”, hereinafter



2019, while adjudicating CM Appls 22655/2019, 22660/2019, 22664/2019, 22667/2019, 22670/2019 and 22674/2019, expressed a *prima facie* view disagreeing with the view expressed by the learned Single Judge in his judgment dated 18 February 2019 *supra*.

4. In that view of the matter, while adjudicating CS (Comm) 837/2016⁵, on 17 July 2019, the learned Single Judge has, noting the fact that the Division Bench of this Court had, on 29 May 2019, expressed *prima facie* disagreement with his judgment dated 18 February 2019, proceeded to adjudicate IA 15881/2011, filed by the appellant – plaintiff Dart Industries Inc⁶ in that case, on merits. The learned Single Judge has rejected the prayer for interim injunction and has merely directed the defendants in the Dart suit to file particulars of sales of the impugned product.

5. There is, however, no dispute that if we were to uphold the judgment of the learned Single Judge in the Crocs suits, it would mean that the Dart suit would also be liable to be dismissed as not maintainable.

6. The correctness of the judgment dated 18 February 2019, in the Crocs suits, therefore, arises directly or indirectly for consideration in all these appeals. The learned Single Judge has, *vide* the said judgment, dismissed the Crocs suits as not maintainable. In the event, that this Court agrees with the learned Single Judge, matters must rest there, insofar as the said suits are concerned, and the Crocs appeals,

⁵ “the Dart suit” hereinafter

⁶ “DART”, hereinafter



preferred thereagainst have necessarily to be dismissed.

7. In the event that the Court holds the learned Single Judge to have been an error in rendering the judgment dated 18 February 2019, the Crocs suits would have then to be remanded for further proceedings and the Court would, in that event, have to examine the correctness of the judgment dated 17 July 2019 of the learned Single Judge in IA 15881/2011 in the Dart suit on merits.

8. As the issue of maintainability of the suits is, therefore, an issue which arises directly or indirectly for consideration in all these appeals, with the consent of learned Counsel for the parties, we have heard arguments on the said issue at exhaustive length.

9. We, therefore, reserved judgment in RFA (OS) (Comm) 22/2019, RFA (OS) (Comm) 23/2019, RFA (OS) (Comm) 24/2019, RFA (OS) (Comm) 25/2019, RFA (OS) (Comm) 26/2019 and RFA (OS) (Comm) 27/2019, as they arise from suits which stand dismissed by the learned Single Judge, and reserved judgment in FAO (OS) (Comm) 358/2019 on the aspect of maintainability, while renotifying the appeal awaiting the outcome thereof.

10. Mr. J. Sai Deepak, learned Senior Counsel, assisted by Mr. S.K. Bansal and Mr. Ajay Amitabh Suman appeared for Crocs and Mr. Hemant Singh appeared for Dart.

11. Mr. Saikrishna Rajagopal, learned Counsel appeared for the respondents in RFA (OS) (Comm) 23/2019, Mr. Neeraj Grover,



learned Counsel appeared for the respondents in RFA (OS) (Comm) 22/2019. Mr. Mahabir, appeared for the respondents in FAO (OS) (Comm) 358/2019 and Mr. Anil Dutt, learned Counsel appeared for Respondent 1 in RFA (OS) (Comm) 25/2019.

12. The only issue to be decided is, therefore, whether the Crocs suits were maintainable, and, therefore, whether the learned Single Judge was correct in holding otherwise. The issue being purely legal, and involving, as it is, construction and understanding of precedents laid down by this Court, we do not wish to burden this judgement with any exhaustive recounting of the submissions advanced by learned Counsel, enlightening though they undoubtedly were.

The Crocs appeals

13. For the sake of convenience, we deem it appropriate to refer to the dispute in the context of the Crocs appeals, as it is the judgment dated 18 February 2019 passed in the Crocs suits, from which these appeals emanate, which dismissed the suits as not maintainable.

14. We proceed to commence our discussion of these appeals by reference to the plaint. For the sake of convenience, we would be referring to CS (Comm) 1415/2016.

15. The plaint

15.1 The averments of Crocs in CS (Comm) 1415/2016 were as follows.



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(i) Crocs was the proprietor of Design Registration 197685 dated 28 May 2004 in respect of “footwear”, under the Designs Act, 2000. Given the limited nature of the dispute in the present appeals, it is not necessary to advert to all the specifics of the Design Registration. Suffice it to state that the front perspective of the footwear forming subject matter of dispute as provided in the Certificate of Registration issued by the Registrar of Designs was as under :



The certificate certified that novelty of the design resided in its shape and configuration, in its various perspective views.

(ii) The aforesaid design/trade dress had acquired worldwide reputation and was a source identifier of Crocs. The plaintiff referred to the said trade dress representing the unique shape of the footwear as the “CROCS SHAPE TRADEMARK/TRADE DRESS”⁷. Admittedly, however, Crocs did not possess any registration of the aforesaid trade dress as a trademark under the Trade Marks Act, 1999.

(iii) The Crocs trade dress had earned, over a period of time, enforceable perpetual rights in common law in favour of Crocs over the trademark/trade dress. Crocs, as a consequence,

⁷ Referred to, hereinafter, for the sake of convenience, as “the Crocs trade dress”



possessed the exclusive right to use the said trademark/trade dress.

(iv) In or around the first week of June 2015, the footwear manufactured by the defendant Liberty Shoes Limited⁸, identical in shape and appearance to the registered design of Crocs' footwear, came to Crocs' notice. Crocs also came to know that Liberty was selling the said footwear online through e-commerce websites as well as its own website www.libertyshoes.com. Crocs, therefore, filed CS 155/2015 before the District Court, Patiala House alleging infringement, by Liberty, of Design 197685, as also passing off, by Liberty, of its footwear, as the footwear of Crocs, by adopting a trade dress which was identical to that registered in Crocs' favour *vide* Design 197685. The said suit is presently pending.

(v) In the interregnum, a Full Bench of this Court of three learned Judges rendered its judgment in *Mohan Lal v Sona Paints & Hardwares*⁹. One of the issues before the Full Bench was whether it was permissible to sue for passing off, on the basis of a trademark which formed subject matter of a Design Registration under the Designs Act. The Full Bench held that an action for passing off would lie, but that separate suits would have to be filed for design infringement and passing off. In that view of the matter, Crocs instituted the present individual suit against Liberty and others.

⁸ 'Liberty', hereinafter

⁹ 200 (2013) DLT 322 (FB)



(vi) The plaint, in the present suit, alleged that the defendants were manufacturing and selling footwear identical in appearance to the Crocs trade dress. The following paragraphs from the plaint merit reproduction:

“3 The Plaintiff Company was founded by Scott Seamans, Lyndon Duke Hanson, and George Boedecker, who in the year 2002 coined the word/mark **crocs**



along-with it the device/logo of and adopted CROCS as an integral part of their trade name M/s. Crocs Inc.

4 That in the course of its business, the plaintiff has devised several unique shapes/trade dress in relation to its said goods and business, some of which have become distinctive of the plaintiffs source, origin and authority. In the year 2004 the plaintiff has conceived and adopted one of such unique shape of its footwear (referred to as said CROCS SHAPE TRADEMARK/TRADEDRESS) and true representation whereof has been given herein below :



The plaintiffs CROCS SHAPE TRADEMARK/TRADE DRESS.

7 That the plaintiff is using the said registered Design as a SHAPE TRADEMARK/TRADE DRESS in relation to its said goods and business. The plaintiff is using the said CROCS SHAPE TRADEMARK as a trademark within the meaning of Sections 2(1)(m) and 2(1)(zb) of the Trade Marks Act, 1999 and is being so used by the Plaintiff in relation to its said goods in course of trade. The said CROCS SHAPE TRADEMARK being applied to the footwear of the Plaintiff duly distinguishes it from the



source and origin of the Plaintiff and indicates a trade connection with the Plaintiff as proprietor thereof. Thus, the plaintiffs said CROCS SHAPE TRADEMARK/TRADE- DRESS is an inherently strong trademark.

8 That the plaintiff has been using the said CROCS SHAPE TRADEMARK/TRADE DRESS after 28.05.2004 continuously, extensively, exclusively openly and commercially in the course of trade as a owner and proprietor and that the plaintiff is the proprietor of the same within the provisions of the Trade Marks Act 1999.

9 That the Plaintiff has been carrying on its said business which covers 90 countries across the world through a wide distribution network of wholesalers and retailers, as also through its subsidiaries, affiliates, licensees, distributors, and through e-commerce and by virtue whereof the plaintiffs said business is consistently growing under its said CROCS SHAPE TRADEMARK/TRADE DRESS.

10 That the Plaintiff is also carrying on its business extensively in relation to its said goods and business under the said CROCS SHAPE TRADEMARK/TRADE DRESS in more than 90 countries through its various affiliates, associates, subsidiaries, licensees, etc. and also through its websites, worldwide under the domain name www.crocs.com and in India under the domain name www.crocsindia.com.

11 That the Plaintiff has regularly and continuously been promoting its said distinctive said CROCS SHAPE TRADEMARK/TRADE DRESS through extensive advertisements, publicities, promotions and marketing research and the Plaintiff has been spending enormous amounts of moneys, efforts, skills and time thereon. The Plaintiff has been doing so through various means and modes including through the visual, print and electronic media, in leading Newspapers, trade literature & magazines, word of mouth, over the internet, etc. and all of which have tremendous reach, availability and circulation world over including in India.

23. The said Defendants, in the course of trade has adopted the identical shape of footwear as a trademark in



relation to its impugned goods and business. (referred to as the impugned ACTION SHAPE TRADEMARK/TRADE DRESS).

24. That the plaintiff is aggrieved of use/intended use of identical/similar SHAPE TRADEMARK/TRADE DRESS in relation to its impugned footwear. This action is brought against the defendants from using the identical SHAPE of footwear as a trademark in relation to impugned goods. The term impugned SHAPE TRADEMARK/TRADE DRESS shall be construed accordingly in these proceedings.

25. That from bare perusal of both the products in question, the dishonesty of the defendants are apparent. The defendants have copied all the features of plaintiffs said CROCS SHAPE TRADEMARK/TRADE DRESS.

26. The defendants' adoption of impugned SHAPE TRADEMARK/TRADE DRESS in respect of identical goods is dishonest, malafide and fraudulent. The defendants, besides adoption of impugned SHAPE trade mark/trade dress, have also blatantly copied the essential and striking features of plaintiffs said SHAPE trade mark/label. The defendants' malafide and dishonesty is apparent, manifest and striking. The defendants are misrepresenting in the market and trade and misguiding the market and trade at large that the impugned goods are in fact coming from the plaintiff. (All references to the defendants' impugned use of impugned SHAPE TRADEMARK/TRADE DRESS be taken to include both actual and/or threatened use thereof).

27. That the impugned SHAPE TRADEMARK/TRADE DRESS of the Defendants is entirely identical to that of the Plaintiffs said CROCS SHAPE TRADEMARK/TRADE DRESS. The Defendants have copied all the essential and basic features of the Plaintiffs said CROCS SHAPE TRADEMARK/TRADE DRESS footwear and its copyrights and thereafter given to its impugned footwear the same shape as that of the Plaintiff. The overall impression, appearance and demeanour, usage, adoption and application of the impugned SHAPE TRADEMARK/TRADE DRESS by the Defendants is identical with and/ or deceptively similar to that of the plaintiff and is thus fraudulent, dishonest and deceitful.

28. The defendant's impugned adoption and use of the



impugned ACTION SHAPE TRADE MARK in relation to their respective products is without the leave and permission of the plaintiff and the defendants are not the proprietor of the impugned SHAPE TRADEMARK/TRADE DRESS. The defendants have no right to use them in any manner being in violation of the plaintiffs common law rights therein. The defendants are guilty of passing off.

29. The defendants by their impugned adoption and use of the impugned SHAPE TRADEMARK/TRADE DRESS in relation to the impugned goods are pirating the plaintiffs said SHAPE TRADEMARK/TRADE DRESS and are also guilty of passing off and enabling others to pass off their goods and business as that of the plaintiff and are thus violating the plaintiffs rights in the plaintiffs said SHAPE TRADEMARK/TRADE DRESS.

30. The defendants are fully aware of or ought to be aware of the plaintiffs right , goodwill, reputation, use and all benefits in the plaintiffs said SHAPE TRADEMARK at the time of their impugned adoption and use. The' resemblance between the rival SHAPE TRADEMARK/TRADE DRESS is so close that it can hardly occur except by deliberate imitation. The defendants are called upon to explain as to how they hit upon the impugned SHAPE TRADEMARK/TRADE DRESS. The defendants' impugned adoption and use thereof is tainted at inception and is a pirate and fraudulent use of the plaintiffs said SHAPE TRADEMARK/TRADE DRESS.

31. The defendants have adopted and started using the impugned design in relation to their impugned products dishonestly, fraudulently and out of positive greed with a view to take advantage of and to trade upon the plaintiffs established goodwill, reputation and proprietary rights therein. By the defendants' impugned adoption and use, deception and confusion in the market is ensuing or is likely to so ensue. The plaintiffs said design are otherwise being diluted and eclipsed thereby. Any person not knowing clearly the relationship between the parties to this action is bound to be confused by the defendants' impugned adoption and use and might do business with the defendants thinking that he is dealing with the plaintiff or that some strong, vital and subtle links exist between the plaintiff and the defendants.

32. Due to the defendant's impugned activities, the



plaintiff is suffering huge losses both in business and in reputation and such losses are incapable of being assessed in monetary terms. Unwary purchasers in market and trade are being deceived and defrauded as to the origin of the goods and business. The defendant's gains are the plaintiff's losses. The plaintiff has no access to the defendant's accounts and the defendant is liable to render their accounts to the plaintiff and to make good to the plaintiff the profit and business earned by them. Without prejudice to the rendition of accounts and in alternative thereto, the defendant is liable to pay damages to the plaintiff, which the plaintiff is conservatively and restrictively ascertaining at Rs.1,00,05,000/- (Rupees Crore and Five Thousand Only), although the Plaintiff is entitled to a larger amount. The plaintiff craves leave to reserve its right under the provision of Order 2 Rule 2 CPC to pray for suitable additional damages at the appropriate stage in the proceedings. In any case it is submitted that the impugned activities of the defendant are illegal and void-ab-initio, being in violation of the plaintiff's afore mentioned right.

33 That the plaintiff became aware of the defendant's impugned adoption and use from the market and trade in about the First week of June, 2015 when the plaintiff came across the availability of the defendant's impugned goods in the market of Delhi. The plaintiff aggrieved thereby, immediately launched enquiry(s) in the market and ascertained that the defendant's impugned goods are being sold through out country and also over the internet through various online market places and e-commerce websites, including on web, sites of defendant namely www.libertyshoes.com. At that point of time plaintiff made inquiry revealed that the defendant had only recently started commercially using, soliciting, selling, publishing, exposing, etc. the impugned goods in relation to the impugned goods and were doing so in the markets of Delhi. At that point of time the plaintiff filed Suit bearing CS No. 155 of 2015 before the District Court, Patiala House, New Delhi, seeking to restrain the defendant inter-alia against infringement of registered design under no. 197685 and also passing off. Vide order dated 15.07.2015 the plaintiff herein was granted ex-parte injunction in its favour. Subsequently vide order dated 09.05.2016 passed in the suit bearing CS. No. 701 of 2015, the matter was transferred to Hon'ble High Court of Delhi by virtue of operation of Section 22 (4) of the Design Act and renumbered as C.S.(Comm) No. 772 of 2016. The same is pending adjudication before the Hon'ble Delhi High Court. The



defendants are having all the intention to use the impugned shape trademark/trade dress .

34 That the present suit is being filed in view of law laid down by the Hon'ble Delhi High Court in Judgment namely *Mohan Lal , Proprietor of M/s Mourya Industries Versus Sona Paint & Hardware* reported as **2013 (55) PTC 61 (DEL) (FB)**, whereby the Hon'ble Delhi High Court has returned the finding that composite suit for infringement of registered trademark and passing off would not lie. However the suit for infringement of registered design and suit for passing off of design as a shape trade mark shall be tried together in case. In view of the afore said Judgment, the plaintiff is filing then instant suit on the basis of common law right in the said design as a SHAPE TRADEMARK. The instant suit can be tried together along with suit bearing C.S:(Comm) No.772 of 2016.

PRAYER

39. That under the facts and circumstances of the present case, plaintiff most respectfully prays as under:

- a) For a decree of permanent injunction restraining the defendants by themselves as also through their individual proprietors/partners, agents, representatives, distributors, assigns, heirs, successors, stockiest(s) and all others acting for and on their behalf from manufacturing, marketing, supplying, using, selling, soliciting, exporting, displaying, advertising on the internet or by any other mode or manner or having intention to use the impugned SHAPE TRADEMARK/TRADE DRESS or any other shape trademark/trade dress which are deceptively similar to or fraudulent and/or obvious imitation of the Plaintiffs said CROCS SHAPE TRADEMARK/TRADE DRESS in relation to footwear and related/allied products and from doing any other acts or deeds amounting to or likely to violate the common law right in the plaintiffs said CROCS SHAPE TRADEMARK/TRADE DRESS.
- b) Restraining the defendants from disposing off or dealing with their assets including their premises at the addresses mentioned in the Memo of Parties and their stocks-in-trade or any other assets



as may be brought to the notice of the Hon'ble Court during the course of the proceedings and on the Defendants' disclosure thereof and which the Defendants are called upon to disclose and/ or on its ascertainment by the Plaintiff as the Plaintiff is not aware of the same as per Section 135(2)(c) of the Trade Marks Act, 1999 as it could adversely affect the Plaintiffs ability to recover the costs and pecuniary reliefs thereon.

c) For an order for delivery up of all the impugned finished and unfinished material bearing the impugned and violative impugned SHAPE TRADEMARK/TRADE DRESS in relation to the impugned or any other deceptively similar impugned SHAPE TRADEMARK/TRADE DRESS including its blocks, moulds and goods etc. to the plaintiff for the purposes of destruction and erasure.

d) For an order for rendition of accounts of profits earned by the Defendants by their impugned illegal trade activities and a decree for the amount so found in favour of the Plaintiff on such rendition of accounts.

e) In the alternative to accounts for a decree for grant of damages of Rs. 1,00,05,000/- from the defendants jointly and severally to the plaintiff.

f) For an order for costs of proceedings.”

15.2 Para 35 of the plaint, which set out the manner in which the cause of action had arisen, read thus:

“35. The cause of action for the present suit has been set out in the preceding paras. The cause of action has arisen when the plaintiff become aware of the defendant's impugned adoption and use from the market and trade in about the First week of June, 2015, as the plaintiff came across the availability of the defendant's impugned goods in the market of Delhi. The cause of action further accrued on 15.07.2015 when the plaintiff was granted ex-parte injunction in Suit bearing CS. No. 155 of 2015. The cause of action is still continuing and is accruing day-by-day and shall continue to so accrue on daily basis as the defendants are having intention to use the impugned SHAPE TRADEMARK/TRADE DRESS in relation to impugned goods and business.”



16. The Written Statement

16.1 The averments in the written statement filed by Liberty by way of response to the plaint, to the extent they are at all of consequence, may be noted thus:

- (i) The design pertaining to Design Registration 197685 already stood invalidated in other jurisdictions outside India, to which there was no reference in the plaint.
- (ii) Crocs was not the originator of the said design.
- (iii) The shape, form and style of Crocs' footwear had a pre-existing clog design, which was in the public domain and had been worn and used in several countries in varying forms. The design was such that it offered comfort and support to the foot. Various third parties had been using the same design before and after 2004. It, therefore, lacked novelty. No exclusivity over the shape of the Crocs trade dress could, therefore, be claimed by Crocs.
- (iv) Details relating to these facts had been concealed in the plaint.
- (v) Having itself copied the shape forming subject matter of its registered design from third parties, Crocs could not claim any prior reputation or goodwill in the said shape.



(vi) Crocs had not produced any evidence of having used the shape as a trademark or of the shape having become a source identifier of Crocs' footwear, to the extent that it was identified only with the footwear manufactured by Crocs.

(vii) Liberty was not seeking to pass off its footwear as that of Crocs. Rather, the brand name "LIBERTY" with the sub-brand "GLIDER" were prominently displayed on the footwear. There was, therefore, no likelihood of confusion between the two products.

(viii) No misrepresentation could, therefore, be alleged against Liberty.

(ix) The shape asserted by Crocs was not a "trademark" within the meaning of Section 2(1)(m)¹⁰ read with 2(1)(zb)¹¹ of the Trade Marks Act, 1999. It was not capable of distinguishing the goods of Crocs from those of others.

(x) There was no evidence of the shape having acquired any

¹⁰ (m) "mark" includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof;

¹¹ (zb) "trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and—

(i) in relation to Chapter XII (other than Section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark;



secondary meaning so as to be identified only with Crocs or of having become indicative of Crocs' footwear.

(xi) Crocs had, in fact, merely copied the clog shape of footwear, used by others much prior in point of time, and added a strap to it.

16.2 Predicated on these submissions, Liberty submitted that no sustainable cause of action had been made out in the plaint which was, therefore, liable to be dismissed.

16.3 Notably, in the written statement, there was no specific objection taken to the maintainability of the suit instituted by Crocs on the ground that no suit for passing off could lie in respect of a design which is registered under the Designs Act. In other words, the sole ground on which the learned Single Judge has, in the impugned judgment dated 18 February 2019, dismissed the suit, actually finds no mention in the written statement filed by Liberty.

The replication

16.4 Crocs filed a replication to the written statement filed by Liberty. All allegations in the written statement were denied. Crocs asserted that it was the originator of the Crocs trade dress and that it had in fact taken action for design piracy against others who were using similar trade dresses. The submission that the Crocs trade dress was indelibly associated with Crocs' footwear and was, therefore, a source identifier, was reiterated. Beyond this, it is not necessary to



refer to the averments in the replication, which do not particularly affect the outcome of the present proceedings.

17. The Impugned Judgment

17.1 Though no application was filed by Liberty, praying for dismissal of the suit filed by Crocs under Order VII Rule 11¹² of the CPC or Order XIII A of the CPC as amended by the Commercial Courts Act, 2015, the learned Single Judge has, by the impugned judgment dated 18 February 2019, dismissed the suit. Fundamentally, in doing so, the learned Single Judge has relied on the judgment of a Five Judge Bench of this Court in *Carlsberg Breweries A/S v Som Distilleries and Breweries Ltd*¹³, primarily on the following enunciation, contained in para 43 of the said decision:

“43 This court is also of the opinion that the Full Bench ruling in *Mohan Lal (supra)* made an observation, which is inaccurate: it firstly correctly noted that registration as a design is not possible, of a trade mark; it, however later noted that “post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being: the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act.” This observation ignores that the Designs Act, Section 19 (e) specifically exposes a registered design to cancellation when “(e) it

¹² 11. **Rejection of plaint.** – The plaint shall be rejected in the following cases:—

- (a) where it does not disclose a cause of action;
- (b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;
- (c) where the relief claimed is properly valued but the plaint is written upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;
- (d) where the suit appears from the statement in the plaint to be barred by any law;
- (e) where it is not filed in duplicate;
- (f) where the plaintiff fails to comply with the provisions of Rule 9;

Provided that the time fixed by the Court for the correction of the valuation or supplying of the requisite stamp-papers shall not be extended unless the Court, for reasons to be recorded, is satisfied that the plaintiff was prevented by any cause of an exceptional nature from correcting the valuation or supplying the requisite stamp-papers, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause grave injustice to the plaintiff.

¹³ 256 (2019) DLT 1 (FB)



is not a design as defined under clause (d) of section 2.” The reason for this is that Section 2 of the Designs Act, defines “design” as “...the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article.....; but does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958” Therefore, if the registered design per se is used as a trade mark, it apparently can be cancelled. The larger legal formulation in *Mohan Lal (supra)*, that a passing off action i.e., one which is not limited or restricted to trademark use alone, but the overall get up or “trade dress” however, is correct; as long as the elements of the design are not used as a trademark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a “passing off” claim can include but is also broader than infringement of a trademark, the cause of action against such use lies.”

17.2 On the basis of the above paragraph from *Carlsberg*, the learned Single Judge has, in the impugned judgment, held that no passing off action can be founded on a trade mark or trade dress which is in its entirety registered as a design under the Designs Act. On facts, the learned Single Judge finds that the subject matter of the passing off action laid by Crocs against Liberty – as also against the other defendants in the accompanying suits – was no more, and no less, than the design in respect of which it already held a registration under the Designs Act. This, according to the learned Single Judge, is completely impermissible, in view of the decision in *Carlsberg*. As, according to the learned Single Judge, there is no other basis for the suits, all the suits have been dismissed for want of any maintainable cause of action. The following paragraphs from the impugned judgment manifest this view:

“40. As would be evident from the aforesaid contentions, the counsel/senior counsel for the plaintiff have been unable to controvert the argument of the counsel for the defendants that the plaintiff is alleging passing off by the defendants of their goods as that of the plaintiff by copying the registered design of the plaintiff



and nothing else and that reliefs on the ground of infringement, of design as well as on the ground of passing off are on the same facts. The plaintiff, from its pleadings has been unable to point out any other feature/element or part of the larger trade dress, get up of the product of plaintiff, other than the elements of its registered design, by adopting which the defendants are passing off their goods as that of the plaintiff. What is thus for adjudication is:

(A) Whether a registered design of a plaintiff can constitute a trade mark to confer on such plaintiff a right to restrain another, not on the ground of infringement of its design but on the ground of passing off its goods as that of the plaintiff by adopting the registered design of the plaintiff, or to confer on such plaintiff a right to restrain another on the ground of both, infringement of design and passing off; and,

(B) Whether the passages quoted above of Carlsberg Breweries adjudicate the said controversy and even if the answer is in the affirmative, whether the said passages are contrary to Mohan Lal and if so to what effect.

41. *In my opinion, a registered design confers on the registrant, only the right to restrain another from infringing the design and not to, also claiming the registered design as its trade mark/trade dress, restrain another from passing off its goods as that of the registrant, by copying the registered design. My reasons for concluding so follow:—*

A. A perusal of the statement of objects and reasons for enactment of the Designs Act, 2000 shows the same to have been enacted with the objective of balancing the interest in, on the one hand ensuring effective protection to registered designs and to promote design, activity in order to promote the design element in an article of production and on the other hand “to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity, while removing impediments to the free use of available designs.”

B. The Designs Act, 2000, as per its preamble is an act to consolidate and amend the law relating to protection of designs and came into force on 11th May, 2001, when though the Trade Marks Act, 1999 had been enacted but not come into force (it came into force subsequently on 15th September, 2003). Use of the words “to consolidate and amend” indicate the Act to be a complete code in itself



relating to the law of designs.

D. As per the definition of design in the Designs Act, if the feature of shape, configuration, pattern, ornament or composition of lines or colours applied to any article is being used as a trade mark, it cannot be registered as a design.

K. Further, if it were to be held that while one category of trade marks cannot be registered as a design, another category of trade marks can be so registered and enjoy protection, both as a trade mark and as a design, the same would amount to, without any reason, discriminating between two kinds of trade mark.

L. Thought has also crossed my mind that even if the contention of the counsel for the plaintiff, of shape being protected as a trade mark under the common law, though no case law has been shown in this regard, were to be correct, whether the meaning of trade mark in an action of passing off can be wider than the meaning of trade mark in the 1958 Act or the 1999 Act relating to Trade Marks; since the bar in Section 2(d) supra to design being not a trade mark is with reference to definition thereof in the 1958 Act. It was so suggested by Senior counsel for plaintiff by contending that the observations in para no. 22.8 of majority opinion in *Mohan Lal* supra was only about registration and not about passing off. However, the answer thereto is to be found in Section 27 of the 1958 Act as well as 1999 Act and which remains unchanged. The same, though provides that no proceedings with respect to infringement of an un-registered trade mark lie but also provides that the fact that no proceedings for infringement can lie would not affect the rights of action for passing off or the remedies in respect thereof. Section 27, while so providing, does not separately define trade mark for an action of passing off and the definition of trade mark, whether in an action for-. infringement or in an action for passing off would be the same i.e. as in Section 2(1)(v) of the 1958 Act and as in Section 2(1)(zb) of the 1999 Act. I am thus unable to accept the contention of senior counsel for the plaintiff that *Carlsberg Breweries* supra holds as erroneous only the observation in *Mohan Lal* supra about registration; and not about passing off.



M. The contention of the counsel for the plaintiff, that owing to the prohibition of a design being a trade mark being contained in the Designs Act and the absence of any prohibition in the Trade Marks Act to a design being a trade mark, in an action for infringement of a trade mark or passing off, it is irrelevant that what is claimed as a trade mark is registered as a design, cannot be accepted. The intention of the Legislature is clear from the prohibition contained in the Designs Act, and to accept the contention of the counsel for the plaintiff would defeat the legislative intent and the legislative intent in enactment of the statute has to be respected. Once the legislative intent is that a trade mark cannot be a design, the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article, even if used as a trade mark, cease to be a trade mark on registration being granted to the same as a design, and a registrant is to be deemed in law to have surrendered, abandoned, acquiesced and waived all rights to use such features as a trade mark. Else, there would be an anomalous situation, with there being in existence a prohibition to use a trade mark as a design but there being no prohibition to use of a design as a trade mark and such anomaly cannot be attributed to any law making authority. A prohibition contained in one statute has to be given effect to, while interpreting all other statutes.

O. That brings me to the argument of the senior counsel for the plaintiff of, the action in passing off being not based on any rights in a trade mark but on deception, misrepresentation and usurpation of goodwill. The senior counsel for the plaintiff, by contending so sought to disassociate the action brought by these suits from the law relating to trade mark and in response where to, the counsel for the defendants referred to McCarthy supra¹⁴ opining, that “copying is not only good, it is a federal right — a necessary complement to the patent system's grant of limited monopolies... effective competition and the penumbra of the patent laws require that competitors be able to slavishly copy the design of a successful product” and that business people “erroneously equate competition by copying with unfair conduct....but federal law encourages wholesale copying, the better to drive down prices. Consumers rather than producers are the objects of

¹⁴ McCarthy on Trade Marks and Unfair Competition 4th Edition



the law's solicitude”.

P. On deeper consideration, I am unable to accept the said contention also of the senior counsel for the plaintiff. The action for misrepresentation and deception, as the senior counsel for the plaintiff qualifies an action in passing off, is after all in protection of some right and which right, is as the first adopter of the mark. The purport of the law of trade marks, whether in an action for passing off or infringement, is to secure the rights of the first adopter. Goodwill is also a right and there can be no goodwill disassociated from the features of shape, configuration, pattern, ornament or composition of lines of colours applied to any article divorced from that article or product. Thus, irrespective of whether there are any property rights in a trade mark, protection, in an action for passing off, is sought of a trade mark. Moreover, once the law relating to trade marks has been codified, saving the action for passing off in respect of unregistered trade marks, it is not open to contend that an action for passing off is divorced from rights as a trade mark. I am also not convinced that trade mark is not a property. Trade mark is a species of non-tangible properties which have come to be known as ‘intellectual property’ and rights wherein are known as “intellectual property rights”. Intellectual properties today, in twenty first century, are far more valuable than tangible properties. *Mind Gym Limited*¹⁵ supra referred to by the senior counsel for the plaintiff merely quotes a passage from *Star Industrial Co. Ltd. v Yap Kwee Kor*¹⁶, and which in turn refers to the dicta in *Attorney General Spalding & Bros. v A.W. Gamage Ltd.*¹⁷, pronounced in the era of tangible properties. We are today living in the world of even banks accepting intellectual properties as security for advancing finance.

Q. The Legislature in its wisdom choose to legislate separately for features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article, which were earlier construed as trade mark and protected so, by enacting the Designs Act, 2000 and granting protection to them for a maximum period of 20 years. To hold, that though the legislative intent is to protect such features from use by another, for a limited period of 20 years only and to after the expiry of the said 20 years, allow the same to be used by others, the said

¹⁵ *Mind Gym Ltd v Mindgym Kids Library Pvt Ltd*, (2014) 58 PTC 270

¹⁶ 1976 FSPLR 256

¹⁷ (1914-15) All ER Rep 147



features, though not permitted to be used as a trade mark during the period of registration, after the said period qualify as a trade mark and are protected from use by other, would again, in my opinion, defeat the legislative intent. Just like the legislature, deemed it appropriate to grant/allow patent rights for a limited period, and not in perpetuity, like trade mark, similarly the legislature having deemed it appropriate to allow/grant limited period exclusivity to designs, which also qualify as trade marks, the limited period protection cannot be extended to protection in perpetuity.

R. In my view, the only inference from a harmonious reading of the law relating to trade mark and the law relating to designs is, that what is registered as a design cannot be a trade mark, not only during the period of registration as a design but even thereafter.

S. However it still remains to be seen, whether the conclusion I have reached above is contrary to the majority view in *Mohan Lal supra*. Because, if it is so, then what I have concluded will merely be my rumblings and I will continue to be bound by the dicta of the larger bench.

T. The reference to the larger bench in *Mohan Lal supra* was *inter alia* on “whether there can be an availability of remedy of passing off in absence of express saving or preservation of the common law by the Designs Act, 2000 and more so when the rights and remedies under the Act are statutory in nature”. The majority concluded in para no. 22,- (I) that a design can be used as a trade mark and if by virtue of its use, goodwill is generated in the course of trade or business, it can be protected by an - action in the nature of passing off; (II) a design which is registered under the Design Act may not have the statutory rights which a registered trade mark has under the Trade Marks Act, but it would certainly have the right to take remedial steps to correct a wrong committed by a defendant by instituting a passing off action; however if such an action is instituted, the plaintiff would have to demonstrate that the registered design was used by him as a trade mark which, in the minds of the purchasing public is associated with his goods or services which, have acquired goodwill/reputation which is worth protecting. While giving reasons in paragraphs 22.1 to 22.8 of the judgment as reported in *(2013) 55 PTC 61 (Del) (FB)* for the said conclusion, (a) reliance in paragraph 22.2 was placed on McCarthy, in turn referring to foreign judgments not in the



context of the Indian statutes aforesaid and I do not find in the subsequent paragraphs any reason as to how the foreign view/judgment applied in the Indian context; (b) in paragraph 22.4, it was observed, that though once the statutory period of registration of a design expires, it falls in public domain and anyone can use the same but only if ensures that there is no confusion caused as to the source and origin of the goods and services; (c) in paragraph 22.6, it was added that “this logic applies based on the principle that trade mark is something which is extra, which is added on to the goods to denote origin, While a design forms part of the goods”; (d) in para no. 22.7, reference was made to **Smith Kline & French Laboratories Ltd. v Sterling-Winthrop Group Ltd.**¹⁸, holding “A design forms part of the goods themselves. A trade mark is something which is extra, which is added to the goods for the purpose of denoting the origin of the goods, and, speaking generally of trade mark and design, the same thing is not a trade mark and a design” and, “the extra” added to the goods is the colour applied to one half of the capsule and the various colours applied to the individual pellets within the capsules; and, (e) finally, in paragraph 22.8, it was reasoned that though having regard to the definition of a design in the Designs Act, “it may not be possible to register simultaneously the same mater as a design and a trade mark. However post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trade mark by the registrant of the design”.

U. Paragraph 22 of the majority opinion in **Mohan Lal supra** to which alone attention was invited, cannot be read *de hors* the reasons given in paragraphs 22.1 to 22.8 thereunder. A closer scrutiny of said reasons shows that the conclusions recorded in paragraph 22 are not absolute.

V. A closer reading of the majority opinion in **Mohan Lal** shows the same also to be holding that what is usable and protectable as a trade mark is “something extra” or more than what is registered as a design. The majority opinion in **Mohan Lal supra** cannot be read as holding what is registered as a design, can also be used as a trade mark and is protectable as a trade mark. What is generally believed by the legal community as the majority view in **Mohan Lal supra**, is thus not found on a detailed reading of the judgment and is perhaps on a “general impression” of the judgment.

¹⁸ (1975) 1 WLR 914



W. The plaintiff in the present case has not been able to show any extra, besides the design, which is used as a trade mark.

X. As far as the conclusion, in majority opinion in *Mohan Lal supra*, in paragraph 22.8, of a design being usable as a trade mark post registration is concerned, I may add that, in my opinion, the goodwill acquired during the period of registration, when there is a statutory bar to its use as a trade mark, cannot be considered and in my opinion anyone claiming protection as a trade mark will have to show the rights as accruing with effect from post registration. In the present cases however we are not concerned with the said question inasmuch as the registrations as design in favour of plaintiff are still valid.

Y. I thus answer the first of the aforesaid questions by holding that, a registered design cannot constitute a trade mark; however if there are features other than those registered as a design and are shown to be used as a trade mark and with respect whereof goodwill has been acquired, it is only those extra features which can be protected as a trade mark. A registrant of a design would thus be entitled to maintain an action for passing off against other, not by showing that such another has adopted the registered design of the registrant but by showing that the product of such registrant, besides the registered design, also has other/extra features and goodwill in respect whereof has accrued and which extra features have been adopted/copied by another. For copying registered design however, only an action for infringement under the Designs Act would lie.

42. The present suits are premised on the registered design also constituting a trade mark per se and thus are not maintainable as per *Mohan Lal supra* also. The plaintiff has not pleaded anything extra, other than the registered design, which is used and has goodwill as a trade mark and which can be protected in these actions for passing off.

43. Though in view of analysis of *Mohan Lal supra* and as per which also the present suits are not maintainable, the need to delve into the second question formulated above does not arise but for the sake of completeness, I proceed to adjudicate the same.

44. As would immediately be obvious at this stage, the passage of *Carlsberg Breweries supra* quoted above do not lay down anything different from what was held by the majority in *Mohan*



Lal supra. The four of the five Judges of the Five Judges Bench in *Carlsberg Breweries supra* when observed that “the larger legal formulation in *Mohan Lal supra* that a passing off action i.e. one which is not limited or restricted to trade mark use alone, but the overall get up or “trade dress” however, is correct” have also analysed *Mohan Lal supra* as done by me above and which is amply clear from the words immediately falling i.e. as long as the elements of the design are not used as a trade mark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a “passing off claim can include but is also broader than infringement of a trade mark, the cause of action against such use lies” which are nothing but echoing paragraphs 22.6 and 22.7 of the majority opinion in *Mohan Lal supra*. Paragraph. 45 of *Carlsberg Breweries supra* thus cannot be held as striking a different note than majority view in *Mohan Lal supra*.

45. Thus, *Carlsberg Breweries supra* is not contrary to the majority opinion in *Mohan Lal supra*.

46. However, even if it were to be otherwise, the consistent view is that even the obiter dictum of a Full Bench is entitled to a great weight and the binding effect of a prior decision does not depend upon, whether a particular argument was considered therein or not, provided that the point with reference to which argument was subsequently advanced was actually decided. Reference in this regard may be made to *Philip Jeyasingh v The Joint Registrar of Co-operative Societies, Chidambaranar Region, Tuticorin*¹⁹.

47. I have already noted above that the four judges in *Carlsberg Breweries*, per paragraph 20 thereof, considered the reference under two heads, the second of which is “are the two causes of action, i.e. a claim for design infringement and the other for passing off, so disparate or dissimilar that the court cannot try them together in one suit”. Paragraphs 44 & 45 of the judgment quoted above are in the context of answering the said point and it cannot be said that are beyond the reference.

48. The Division Bench of the High Court of Bombay, in *Naseemunisa Begum v Shaikh Abdul Rehman*²⁰, while disagreeing with the contention that the issue referred to the Full Bench being a limited one, the other matters which are described by the Full Bench were not covered in that issue and therefore decision given by the Full Bench is not binding on a smaller bench, reasoned that the decision given by the Full Bench is always

¹⁹ 1992 SCC OnLine Mad 30

²⁰ 2001 SCC OnLine Bom 234



binding on the smaller benches and it is not proper for the smaller benches to go into the question whether the Full Bench was called upon to decide those issues and the decision given by the Full Bench cannot be called as obiter dicta because all relevant questions had to be considered before giving a decision on the point referred to the Full Bench. Reliance was placed on *Pabitra Mohan Dash v State of Orissa*²¹. To the same effect is the view of the High Court of Calcutta in *Sunil Kumar Das v Director of Public Instruction, W.B.*²². I respectfully agree and hold that even if passages in *Carlsberg Breweries supra* relied upon by the counsel for the defendants were to be held to be beyond the reference, I would still remain bound and decide in accordance therewith.

49. It being not in dispute that the passing off pleaded in the plaint is by use by the defendants of what is registered by the plaintiff as a design, in terms of *Mohan Lal* as well as *Carlsberg Breweries supra*, the same is not permissible in law. The suits thus, as per averments in the plaints therein, are not maintainable and liable to be dismissed.

50. The suits having been held to be not maintainable, the need to deal with the claim for interim injunction therein, though arguments were heard thereon also, does not arise.”

18. The five-Judge Bench in *Carlsberg* was constituted on the basis of an order dated 2 May 2017 passed by a learned Single Judge, whereby an earlier judgment of a Full Bench of three Hon’ble Judges of this Court in *Mohan Lal*, on the aspect of maintainability of a composite suit in relation to infringement of a registered design and passing off, between the same parties, was, or was not, maintainable in the light of Order II Rule 3(1)²³ of the CPC.

19. In order to adjudicate on the issue in controversy, it would be

²¹ (2001) 2 SCC 480

²² 2010 SCC OnLine Cal 2218

²³ 3. Joinder of causes of action. –

(1) Save as otherwise provided, a plaintiff may unite in the same suit several causes of action against the same defendant, or the same defendants jointly; and any plaintiffs having causes of action in which they are jointly interested against the same defendant or the same defendants jointly may unite such causes of action in the same suit.



necessary first to advert to the judgment of the three-Judge Full Bench in *Mohan Lal*; thereafter to proceed to the judgment of the five- Judge Full Bench in *Carlsberg* and thereafter, test the correctness of the impugned judgment of the learned Single Judge in the light of these decisions and the rival submissions of learned counsel before us.

20. *Mohan Lal*

20.1 Before therefore advert to the impugned judgment of the learned Single Judge, we may first examine the decision of the three-Judge Full Bench of this Court in *Mohan Lal*.

20.2 The batch of suits in which the decision of the three-Judge Bench in *Mohan Lal* came to be passed was originally filed before the District Court. In the said suits, an application was filed under Section 22(4)²⁴ of the Designs Act, seeking transfer of the suits to the High Court, as the validity of the design asserted by Mohan Lal in the suits was questioned in the written statement filed by the defendants. The suits were, accordingly, transferred to the Original Side of this Court, and placed before a learned Single Judge.

20.3 The learned Single Judge of this Court, before whom the suits came to be listed, felt that there was a cleavage of opinion on various aspects among various Benches of this Court, which needed to be resolved by a Full Bench. The following issues were, therefore,

²⁴ (4) Notwithstanding anything contained in the second proviso to sub-section (2), where any ground on which the registration of a design may be cancelled under Section 19 has been availed of as a ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceeding shall be transferred by the court, in which the suit or such other proceeding is pending, to the High Court for decision.



identified by the learned Single Judge as needing resolution by a Full Bench:

“I. Whether the suit for infringement of registered Design is maintainable against another registered proprietor of the design under the Designs Act, 2000?

II Whether there can be an availability of remedy of passing off in absence of express saving or preservation of the common law by the Designs Act, 2000 and more so when the rights and remedies under the Act are statutory in nature?

III Whether the conception of passing off as available under the Trade Marks can be joined with the action under the Designs Act when the same is mutually inconsistent with that of remedy under the Designs Act, 2000?”

20.4 Of the aforesaid three issues, arising for consideration, as identified in para 4 of *Mohan Lal*, Issue I is of no consequence to us. The discussion hereinafter would, thereafter, be with respect to the findings of the three-Judge Bench with respect to Issues II and III.

20.5 Re. Issue II

20.5.1 *Mohan Lal* first identified the ingredients of a passing off action thus, in para 19 of the report:

“19 In order to answer the second issue, one would have to briefly delve into what constitutes a passing off action. A passing off action simply put is an action filed to vindicate one's claim that the defendant by employing misrepresentation (whether intentional or not) is seeking to represent to the public at large that his goods are those of the claimant and such a mis-representation has caused or is likely to cause substantial damage to the goodwill/reputation which is attached to the plaintiff's goods. Therefore, in a passing off action the plaintiff would have to establish the following ingredients: -

- (i) that there is goodwill or reputation attached to the goods or services which the plaintiff offers, in the mind of



the purchasing public, i.e., the consumers, who associate or are in a position to identify such goods or services by virtue of trademark used, which could include the get-up, trade-dress, signs, packaging, label, etc.

(ii) that the defendant has employed mis-representation which has made the consumers believe that the defendants goods are those of the plaintiff. It is no defence in an action of passing off that the mis-representation was unintentional or lacked fraudulent intent;

(iii) And lastly, that the defendant's action has caused damage or is calculated to cause damage; [see *Reckitt & Colman Products Limited v Borden Inc. (Jif Lemon case)*²⁵ and *Erven Warnink B.V. v J. Towend & Sons (Hull Ltd.) (Advocaat case)*²⁶].”

20.5.2 Mohan Lal thereafter proceeded to hold that, by a juxtaposed reading of the definition of “trade mark” in Section 2(1)(zb)²⁷ of the Trade Marks Act and the definition of “design” in Section 2(d)²⁸ of the Designs Act, it followed “that a design can be used as a trade mark and if by virtue of its use, goodwill is generated in the course of trade or business, it can be protected by an action in the nature of passing off”. Thus, the three-Judge Bench was clear in its view that there was no proscription on the use of a registered design as a trademark. If

²⁵ (1990) RPC 341

²⁶ (1980) RPC 31

²⁷ (zb) “trade mark” means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and—

(i) in relation to Chapter XII (other than Section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark;

²⁸ (d) “design” means only 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 an 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 of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in clause (v) of sub-section (1) of Section 2 of the Trade and Merchandise Marks Act, 1958 or property mark as defined in Section 479 of the Indian Penal Code or any artistic work as defined in



such use generated goodwill in the design used as a trademark, that goodwill could be subject matter of protection in a passing off action.

20.5.3 Thereafter, dealing with the contentions advanced by the defendant before it, **Mohan Lal** proceeded to hold as under in paras 22, 22.1 and 22.2 of the report:

“22. In our view, the aforesaid contentions are flawed for the reason that while the Trade Marks Act confers certain statutory rights qua a registered trade mark, *it does not deprive a user of an unregistered trade mark the right to protect the misuse of his mark by a defendant who is in possession of a registered trade mark.* Therefore, in so far as a design, which is registered under the Designs Act is concerned, it may not have the statutory rights, which a registered trade mark has, under the Trade Marks Act, *it would certainly have the right to take remedial steps to correct a wrong committed by a defendant by instituting a passing off action.* If such an action is instituted, the plaintiff would have to demonstrate that the registered design was used by him as a trade mark which, in the minds of the purchasing public is associated with his goods or services which, have acquired goodwill/reputation which is worth protecting. *Quite naturally, result of such an action, would depend upon whether or not the plaintiff is successful in proving the essential ingredients involved in a passing off action,* to which we have already made a reference hereinabove.

22.1 *Therefore, the argument that since there is no saving clause in the Designs Act as found in Section 27(2) of the Trade Marks Act, and consequently such a remedy ought not to be made available qua a registered design, which is used as a trade mark, is in our view, completely without merit.* As is obvious, such a passing off action would be based on a plea that: the design, which is an unregistered mark, was being used by the plaintiff for the purposes of business; and that the plaintiff's goods and/or services had acquired a reputation and/or goodwill, which were identified in the minds of the consumers, by associating the design/the mark, with the goods and/or services. In other words, the plea would be that the design which was being used as a mark identified the plaintiff, as the source of the goods supplied or services offered.



22.2 The plaintiff, in our opinion, would not have to look to the Designs Act, for instituting such an action.”

20.5.4 The following propositions flow from these passages from the judgment in *Mohan Lal*:

(i) Registration as a trade mark confers, on the registrant, statutory rights available under the Trade Marks Act.

(ii) Though these statutory rights may not be available if the trade mark is not registered, the owner of an unregistered trade mark nonetheless retains the right to protect the mark from misuse by defendant, even if the defendant is in possession of a registered trade mark. That right could be by way of a passing off action.

(iii) To sustain such a passing off action, however, the plaintiff would have to demonstrate that

(a) the registered design was used by him as a trade mark,

(b) the trade mark was, in the minds of the purchasing public, associated with the plaintiff's goods or services, and

(c) this had resulted in accumulation of goodwill/reputation which was worthy of protection.

(iv) As this right emanated from the goodwill which had been generated in the trade mark, which was registered as a design under the Designs Act, the absence of any saving clause in the



Designs Act, protecting passing off actions, similar to that contained in Section 27(2)²⁹ of the Trade Marks Act made no difference.

(v) The passing off action would be made on the plea that the design, which was an unregistered mark of the plaintiff, was used by the plaintiff for the purposes of its business and had acquired, in the course of such business, reputation and/or goodwill, in the minds of the consumer, which rendered the mark a source identifier for the plaintiff.

(vi) To sustain such a challenge, the plaintiff would not need to take recourse to the Designs Act.

20.5.5 Mohan Lal went on to clarify that, once the statutory period of protection available to a registered design, of a maximum of 15 years, had expired, the registered design would fall in the public domain. Any user would, then, use the registered design, *provided such use did not result in confusion in the minds of the public, between the goods and services of the defendants and those of the plaintiff*.

20.5.6 Mohan Lal proceeds, thereafter, to note that Section 2(d) of the Designs Act excludes, from its scope, a trademark falling within Section 2(1)(v)³⁰ of the erstwhile Trade and Merchandise Marks Act,

²⁹ (2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

³⁰ (v) “trade marks” means—

(i) in relation to Chapter X (other than Section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark; and



1958³¹. At the same time, Section 2 (zb) of the Trade Marks Act 1999 specifically includes, within the ambit of the definition of “trade mark”, shape of goods. Thus, what is registered as a design may ordinarily not be registered as a trademark under the Trade Marks Act. The judgment, however, proceeds, after referring to the decision of the House of Lords in *Smith Kline & French Laboratories Ltd v Sterling-Winthorp Group Ltd*³², to observe thus, in para 22.8:

“22.8 Therefore, having regard to the definition of a design under Section 2(d) of the Designs Act, it may not be possible to register simultaneously the same mater as a design and a trade mark. However, post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being : the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act.”

Carlsberg Breweries, as we shall see, refers to the above extracted enunciation of the law, in para 22.8 of *Mohan Lal* as “inaccurate”.

20.6 Re. Issue III

20.6.1 Adverting, next, to Issue III, the three Judge Bench in *Mohan Lal* observed, at the very outset of the discussion, that the cause of action, in respect of a suit for design infringement and a suit for passing off based on the design, use to a trademark, was different and that, therefore, it was necessary to file separate suits.

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- (ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII;

³¹ "the 1958 Act" hereinafter

³² (1975) 1 WLR 914



20.6.2 This aspect was clarified, in greater detail, in paragraphs 24.1 to 24.3 and 25 of the report, thus:

“24.1 In our view, in a suit filed by a plaintiff to protect his statutory rights, flowing from registration obtained under the Designs Act would decidedly based on elements which are found in Section 2(d) and 11 read with the exclusions provided in Section 4 of the Designs Act. Ordinarily, the plaintiff would aver that he had secured for himself a design as defined in Section 2(d) in respect of which a certificate of registration has been issued, the registration is valid in terms of the provisions of Section 11, the plaintiff is the inventor (or in a given case a lawful assignee) of the design which is new or novel or significantly distinguishable from any known designs or any combination of known designs, and that, the defendant is applying the plaintiff's registered design or its fraudulent or obvious imitation without his consent or license. The suit is brought to injunct piracy of the registered design by the defendant in terms of Section 22 of the Designs Act.

*24.2 As against this the broad pleading in a passing off action would be that the plaintiff is using its design as a trademark. The plaintiff sells his goods or offers his services as the case may be under the said trademark. The goods and services have acquired a goodwill and reputation. In the minds of the purchasing public, the trademark is associated with the plaintiff. The defendant seeks to represent (by using the mark of the plaintiff or a mark which is deceptively similar to the plaintiff's mark) falsely that the goods sold or services offered by the defendant are those of the plaintiff. This misrepresentation has caused injury or is calculated to cause injury to the plaintiff. A cause of action simply put means every fact which the plaintiff will have to prove if traversed, in order to obtain a judgment in his favour. (see **Read v Brown**³³).*

24.3 Thus, the cause of action in the infringement suit under the Designs Act could be different from that which obtained in a passing off action. The fundamental edifice of a suit for infringement under the Designs Act would be the claim of monopoly based on its registration, which is premised on uniqueness, newness and originality of the design. Whereas, the action for passing off is founded on the use of the mark in the trade for sale of goods and/or for offering service; the generation of reputation and goodwill as a consequences of the same; the association of the mark to the goods sold or services offered by the plaintiff and the misrepresentation sought to be created by the defendant by use of the plaintiff's mark or a mark which is

³³ (1888) 22 QBD 128



*deceptively similar, so as to portray that the goods sold or the services offered by him originate or have their source in the plaintiff. It is trite to say that different causes of action cannot be combined in one suit [See **Dabur India Limited v K.R. Industries**³⁴ paragraph 34].*

25. Having regard to the nature of the two actions, in our opinion, the two actions cannot be combined. Though as indicated, at the beginning of discussion of this issue if the two actions are instituted in close proximity of each other the court could for the sake of convenience try them together, though as separate causes, provided it has jurisdiction in the matter.”

(Emphasis supplied)

Thus, in these paragraphs, the decision in **Mohan Lal** noted the clear difference between the elements of a suit filed for protection of statutory rights flowing from a design registration, which was essentially to injunct piracy, in terms of Section 22(1)³⁵ of the Designs At, and a suit for passing off. In the case of the latter suit, the cause of action would be predicated on the goodwill and reputation earned by the mark under which the goods or services are offered. The Plaintiff would have to demonstrate that the mark had acquired goodwill and reputation and that, certainly, the use of a similar mark by the defendant was resulting in the defendant passing off its goods as those of the Plaintiff. The three Judge Bench identified the “fundamental edifice” of design infringement suit as being “the claim of monopoly

³⁴ (2008) 10 SCC 595

³⁵ 22. Piracy of registered design. –

- (1) During the existence of copyright in any design it shall not be lawful for any person—
 - (a) 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 proprietor, or to do anything with a view to enable the design to be so applied; or
 - (b) 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.



based on its registration, which is premised on uniqueness, newness and originality of the design”, whereas an action for passing off “is founded on the use of the mark in the trade for sale of goods and/or for offering service; the generation of reputation and goodwill as a consequence of the same; the Association of the mark to the goods sold or services offered by the Plaintiff and the misrepresentation sought to be created by the defendant by use of the Plaintiff’s mark or a mark which is deceptively similar, so as to portray that the goods sold or the services offered by him originate or have their source in the Plaintiff”. At the face of it, therefore, it is clear that the most basic ingredients of a design infringement suit, and a suit for injunction against passing off are different, with one seeking to protect a statutory right flowing from registration and the second seeking to protect the goodwill and reputation earned by the Plaintiff is reason of the use, buy it, of the mark under which it provides its goods or services.

20.6.3 The issue that arises for consideration is whether, merely because the mark happens to have been registered as a design, the latter action would not be maintainable in law.

20.6.4 It certainly does not appear that *Mohan Lal* says so, either expressly or by necessary implication.

20.7 The three Judge Bench provided its final conclusions, on the issue as framed by it, in para 34 of the report, which read thus:

“34. On various issues raised we may crystallize our opinion as follows.



(i) A plaintiff could institute a suit for infringement of a design against a defendant, who was also a holder of a registered design. The expression “any person” found in Section 22 of the Designs Act would not exclude a subsequent registrant as, according to us, no such words of limitation are found in said Section.

(ii) *The plaintiff would be entitled to institute an action of passing off in respect of a design used by him as a trade mark provided the action contains the necessary ingredients to maintain such a proceeding. The argument that such a suit could be instituted only after the expiry of the statutory period provided under Section 11 of the Designs Act, does not find favour with us. This is for the reason that in a given fact situation the plaintiff may have commenced the use of the design as a trademark after its registration. While Section 2(d) of the Designs Act excludes from the definition of a design, any trademark which is defined as such in clause (v) of sub-Section (1) of Section 2 of the 1958 Act or property mark, as defined in Section 479 of the IPC, or any artistic work as defined in clause (c) of Section 2 of the Copyright Act - the use of the design as a trademark post its registration, is not stipulated as a ground for cancellation under Section 19 of the Designs Act.*

(ii)(a) In this context we must note the argument of Ms Singh, learned amicus, that passing off action may perhaps be maintainable provided the mark has attained secondary meaning. In our opinion, the issue before us is limited to whether a remedy by way of passing off action would be available qua a registered design used as a trademark by the plaintiff - we are not inclined to comment on the quality of evidence which may be required, if at all, to be produced by the plaintiff to prove whether the mark has acquired the necessary secondary distinctive meaning, for him to secure success, in the action instituted in that behalf.

(iii) We are also of the view that a composite suit for infringement of a registered design and a passing off action would not lie. The Court could, however, try the suits together, if the two suits are filed in close proximity and/or it is of the view that there are aspects which are common to the two suits. The discretion of the court in this matter would necessarily be paramount.”

(Emphasis supplied)



21. *Carlsberg Breweries*

21.1 The decision in *Carlsberg Breweries*, rendered by a bench of five Hon'ble Judges of this Court, arose out of a somewhat unusual reference, by a learned Single Judge of this Court, by order dated 2 May 2017, as to whether the decision in *Mohan Lal*, on the aspect of maintainability of a composite suit in relation to infringement of a registered design and for passing of, where the parties to the proceedings were the same, needed reconsideration by a larger bench in the light of Order II Rule 3 of the CPC, which permitted joinder of causes of action. The five Judge Bench noted the questions formulated by the three Judge Bench in *Mohan Lal*, and particularly emphasised Question III, reproduced in para 19.3 *supra*.

21.2 In para 2 of the its judgment, the five Judge Bench observes thus:

“2. We had the benefit of the draft judgment by Valmiki. J. Mehta, J. We agree with his conclusions as well as his analysis and reasoning. However, we are of opinion that it is also necessary to state additional reasons while recording the same conclusions.”

Thus, there is no real “majority” view in *Carlsberg*. The judgment of Ravindra Bhat J (as he then was), authored on behalf of four of the learned Judges who adorned the Bench, merely provided “*additional reasons*” for the conclusions at which the opinion authored by Valmiki J. Mehta J arrived. Both, therefore, are in a sense majority and binding views, and have to be read conjointly, as providing cumulative reasons to arrive at the same conclusions.

21.3 We intend, therefore, to first allude to the opinion of Mehta J.



But, prior thereto, it is essential to reproduce the final order of the Court on the reference made to it, as thus contained in para 70 of the judgment:

“70. For the views expressed above, the reference is hereby answered by holding that a composite suit that joins two causes of action - one for infringement of a registered design and the other for passing off, of the plaintiff's goods - is maintainable.”

Thus, it is clear that *the only question answered by the five Judge Bench in **Carlsberg** was the issue of whether a composite suit, combining an action for infringement of a registered design and an action for passing off of the plaintiff's goods, was maintainable.* In *UOI v Dhanwanti Devi*³⁶, the Supreme Court holds:

“10. Therefore, in order to understand and appreciate the binding force of a decision it is always necessary to see what were the facts in the case in which the decision was given *and what was the point which had to be decided*. No judgment can be read as if it is a statute. A word or a clause or a sentence in the judgment cannot be regarded as a full exposition of law.”

(Emphasis supplied)

21.4 The issues which were before the five Judge Bench stand thus distilled in para 20 of the report in ***Carlsberg***:

“(a) Is the court compelled by anything in law to reject a plaint for misjoinder, if two causes of action cannot be clubbed;

(b) Are the two causes of action, i.e. a claim for design infringement and the other for passing off, so disparate or dissimilar that the court cannot try them together in one suit;”

The declaration of the law in ***Carlsberg*** has, therefore, to be appreciated and understood in the light of the issues which were

³⁶ (1996) 6 SCC 44



before the five Judge Bench, and the question which was finally answered.

21.5 Of the two issues identified as arising before the five Judge Bench in *Carlsberg*, it is apparent that issue (b) is more relevant, for the purposes of the controversy at hand, than issue (a). *Neither is, however, the precise issue which arises before us, and which squarely arose in Mohan Lal, which is whether an action for passing off can lie on the basis of subject matter with respect to which the plaintiff holds a valid and subsisting design registration.*

21.6 With respect to issue (a), the five Judge Bench overruled the decision of the three Judge Bench in *Mohan Lal* thus, in para 39 of the report:

“39. These are, if one may say so, the express bar or exceptions to the rule in Order II Rule 3. The other bar is the kind visualized in Section 80 CPC, a threshold procedural step without following which a suitor cannot enter the court (which the Supreme Court characterized in *Prem Lata Nahata*³⁷ (supra) as a “bar”). Furthermore, the CPC also provides internal evidence that misjoinder per se is not a bar to jurisdiction, and that objection cannot invalidate a decree on appeal (Section 99-again highlighted in *Prem Lata Nahata*). Lastly, the provision in Order II Rule 6 enables the court to segregate different causes, if it is inconvenient to try them together, or it is likely to embarrass it.”

Re: Issue (b)

21.7 The judgment of Valmiki J Mehta J

³⁷ *Prem Lata Nahata and Another v Chandi Prasad Sikaria*, (2007) 2 SCC 551



21.7.1 Mehta J’s opinion, in *Carlsberg*, commences thus, in para 49³⁸:

“The issue which is called for decision by this Full Bench of five judges is whether in one composite suit there can be joinder of two causes of action, one cause of action being of infringement by the defendant of a design of the plaintiff which is registered under the Designs Act, 2000 and the second cause of action being of passing off by the defendant of his/its goods/articles as that of the plaintiff. It is noted that *in case a plaintiff in a suit does not have a design which has the benefit of being a validly registered design under the Designs Act, then such a plaintiff cannot maintain an action for infringement of a registered design by the defendant, and such a plaintiff can then only sue on the cause of action of the defendant passing off its goods/articles as that of the plaintiff.*”

(Emphasis supplied)

The right of a plaintiff, who is the proprietor of a registered design, to sue for passing off, thus stands recognized by Mehta J at the very beginning of his opinion. The existence of a right to sue for passing off is not, therefore, disputable. The only issue is whether this right is not available if the subject matter of the passing off action happens to be the subject matter of the design registration.

21.7.2 Paras 50 to 55 of the opinion of Mehta J, thereafter, expound on the general issue of composite suits joining more than one cause of action and on the effect, on the said issue, of the judgment of the Supreme Court in *Dabur India Ltd v K.R. Industries*. Thereafter, Mehta J proceeds to observe thus:

“57. We must at this stage however hasten to observe that in the case of *Mohan Lal (supra)* the majority opinion not only relied upon the observations of *Dabur India Limited (supra)* for holding that there cannot be joinder of causes of action of infringement of a registered design and passing off, inasmuch as in paras 24.3 and 25 of the judgment in the case of *Mohan Lal (supra)* it was held by the majority that the nature of two actions and the fundamental

³⁸ as reported in SCC OnLine



edifices of two causes of action of infringement and passing off were different, i.e. in effect the majority opinion in the case of **Mohan Lal** (*supra*) held that *there would arise no common questions of law and fact between the two causes of action of infringement of a registered design and passing off, and once there would arise no common questions of law and fact*, therefore it was held that there cannot be a composite suit joining the two causes of action of infringement of registered design and passing off.

58. *The issue therefore which is required to be squarely addressed by this Full Bench is as to whether there would arise common questions of facts and law in the two causes of action of infringement of registered design and passing off so that these two causes of action can be joined under Order II Rule 3 CPC, and which is an issue which was not decided either in **Dabur India Ltd.'s case** (*supra*) or in the case of **Dhodha House** (*supra*)³⁹.*

(Emphasis supplied)

Mehta J goes on to reiterate the same view thus, in paras 59 and 60:

“59. The ratio of the judgment in the case of **Prem Lata Nahata** (*supra*) is that with respect to entitlement or otherwise of joinder of causes of action, the question to be asked is as to whether the evidence to be led in the two causes of action would be common, and if the substantial evidence of two causes of action would be common, then there can be joinder of causes of action under Order II Rule 3 CPC. Putting it negatively if the evidence is for the most part different of the two causes of action, then there cannot be joinder of causes of action.

60. Therefore since the crux of the matter for joinder of causes of action under Order II Rule 3 CPC is to see if common questions of law and facts arise in two separate causes of action and whereupon there can be joinder of causes of action under Order II Rule 3 CPC in one composite suit which joins two causes of action, *therefore we now proceed to examine as to whether there would exist common questions of law and fact in the two causes of action of infringement of registered design and passing off.*”

Thus, Mehta J identifies the issue for consideration before the Bench in **Carlsberg** as being whether “there would exist common questions of law and fact in the two causes of action of infringement of

³⁹ **Dhodha House v S.K.Maingi**, (2006) 9 SCC 41



registered design and passing off”. Para 61 reiterates this position:

“61. Let us now accordingly examine as to what are the bundle of facts, or the bundle of material facts, in the two causes of action of infringement of a registered design and passing off, and as to whether there would arise common questions of law and fact in the two bundle of facts of the two causes of action of infringement of registered design and passing off.”

21.7.3 Mehta J thereafter proceeds to address, and answer, the issue referred to the five Judge Bench thus:

“65. In a suit for infringement of registered design the requirement is of pleading existence of a registered design. Once a design is registered in favor of person under the Designs Act then such a person in whose name the design is registered, has for a period of ten years (plus five years) exclusive right to manufacture the goods/articles as per the registered design vide Sections 11⁴⁰ and 22⁴¹ of the Designs Act.

⁴⁰ 11. **Copyright on registration.** –

- (1) 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.
- (2) If, 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.

⁴¹ 22. **Piracy of registered design.** –

- (1) During the existence of copyright in any design it shall not be lawful for any person—
 - (a) 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 proprietor, or to do anything with a view to enable the design to be so applied; or
 - (b) 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.
- (2) If any person acts in contravention of this section, he shall be liable for every contravention—
 - (a) to pay to the registered proprietor of the design a sum not exceeding twenty-five thousand rupees recoverable as a contract debt, or
 - (b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, to pay such damages as may be awarded and to be restrained by injunction accordingly:
Provided that the total sum recoverable in respect of any one design under clause (a) shall not exceed fifty thousand rupees:
Provided further that no suit or any other proceeding for relief under this sub-section shall be instituted in any court below the court of District Judge.



66. In a suit alleging infringement of registered design, the defences which are available to a defendant essentially are three fold, firstly of their being prior publication of the registered design and which design is found in the public domain, secondly of whether the registered design even if is different/variation of a design existing in public domain yet the difference(s)/variation(s) do not cause the design of the plaintiff to be a new or original design because plaintiff's design is only a trade variation of an existing design or that such variations do not give newness or originality to the plaintiff's goods/articles adopting the design, and thirdly as to whether the article being sold by the defendant is a fraudulent or obvious imitation of the article of the plaintiff containing the registered design. It bears note that the words "fraudulent or obvious imitation" which are found in Section 22 of the Designs Act, have their flavour similar to the words identity/identical or deceptively similar as are found in Section 29 of the Trade Marks Act.

67. *In a passing off action filed by a plaintiff, the plaintiff has/claims ownership of a design because of shape, features, combination of colours, etc. of the goods of the plaintiff being used by plaintiff as a trademark, and that such user is so duly envisaged as legal as per the definitions of the expressions 'mark' and 'trademark' in Sections 2(1)(m)⁴² and (zb) of the Trade Marks Act and that the transaction of sale by the defendant of its articles containing the same shape or features or combination of colours etc. etc. results in the sale by the defendant of its goods being passed off as that of the plaintiff.*

Therefore once the transaction of sale is the same transaction which will be in question in both the causes of action of infringement of a registered design and passing off, *a substantial part of the bundles of facts of the two actions will be same as to whether or not the article being sold by the defendant of a particular design is or is not a fraudulent or obvious imitation (identical or deceptively similar) to the article of the plaintiff, therefore, there will clearly exist common set of facts with respect to the actions of passing off and the defence of the defendant of the defendant's goods/articles not being a fraudulent or obvious imitation by the defendant of the articles/goods of the plaintiff, resulting in arising of common questions of law and fact in the two actions of infringement of the registered design and passing off.*

68. *On account of existence of common questions of law and fact between the two causes of action of infringement of a registered design and passing off, therefore to a considerable*

⁴² (m) "mark" includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof;



extent, the evidence of the two causes of action will be common. In such a situation to avoid multiplicity of proceedings there should take place joinder of the two causes of action of infringement of a registered design and passing off against the same defendant in one suit, otherwise multiplicity of proceedings will result in waste of time, money and energy of the parties and also of the courts.

69. The reference is answered by holding that one composite suit can be filed by a plaintiff against one defendant by joining two causes of action, one of infringement of the registered design of the plaintiff and the second of the defendant passing off its goods as that of the plaintiff on account of the goods of the defendant being fraudulent or obvious imitation i.e. identical or deceptively similar, to the goods of the plaintiff.”

(Emphasis supplied)

21.7.4 Thus, Mehta J acknowledges, and accepts, the position (in para 67 *supra*), that, in a passing off action,

- (i) the plaintiff *“has/claims ownership of a design because of shape, features, combination of colours etc. of the goods of the plaintiff being used by the plaintiff as a trade mark”*,
- (ii) these shape, features and combination of colours are “duly envisaged as legal as per the definitions of ‘mark’ and ‘trade mark’ in Sections 2(1)(m) and (zb) of the Trade Marks Act, and
- (iii) that the sale, by the defendant, of its articles *“containing the same shape or features of combination of colours etc etc results in the sale of its goods being passed off as that of the plaintiff”*.

Para 68 goes on to hold that the overlap of the bundles of facts which are relevant to the allegations of passing off and design infringement/piracy arises because “a substantial part of the bundles of facts of the two acts will be the same *as to whether the article*



being sold by the defendant of a particular design is or is not a fraudulent or obvious imitation (identical or deceptively similar) to the article of the plaintiff”.

21.7.5 The opinion of Mehta J, therefore, clearly envisages, as permissible, *a passing off action predicated on the use, by the defendant, of the shape, features, combination of colours, and the like, which constitute and comprise the registered design of the plaintiff.* These paragraphs, therefore, indicate, without any equivocation whatsoever, that a passing off action, predicated on the identity or deceptive similarity of the shape, features, combination of colours, etc., of the defendant’s goods, with the registered design of the plaintiff, is permissible.

21.7.6 By virtue of para 2 of the judgment in **Carlsberg**, therefore, this position must be taken to have the approval, not just of Mehta J alone, but of all the five learned Judges constituting the Bench.

21.8 The judgment of Bhat J (for himself and on behalf of the remaining three learned Judges)

21.8.1 In the context of the present dispute, it is important to reproduce paras 42 to 46 of the judgment of Bhat J, as the issue in controversy essentially turns on interpretation of these paragraphs:

42. The defendants had argued that the reasoning in **Mohan Lal** (*supra*) with respect to impermissibility of joinder of the claims vis-à-vis design infringement and passing off, is sound. In this regard it was argued that there are significant differences between causes of action relating to design infringement on the one hand, and those based on allegations of passing off. Defendants



had argued that (i) design infringement is based on a statutory right, whereas passing off is a common law injury; (ii) the basis of the former is design of an article, for sale, whereas the latter is based on misrepresentation; (iii) Similarly, a design infringement suit alleges that the design is novel, not based on any previous publication in India, whereas the passing off suit has to establish that the shape or mark has developed substantial goodwill and reputation and adoption of a deceptively or confusingly similar design or shape by the defendant. (iv) The defenses, likewise, are entirely different, submitted counsel: whereas in design infringement suit, cancellation based on lack of novelty or existence of previous publication can be the basis of defenses, the lack of any distinctiveness (of the plaintiff's mark or design), prior user, *bona fide* use, or lack of plaintiff's goodwill are defenses in the passing off suit. (v) Lastly it was stated that although the court of competent jurisdiction under Section 20 of the Designs Act is identical to that in passing off, as soon as a defense of cancellation is claimed by the defendant in a design infringement suit, it has to be transferred to the High Court under Section 22(2) of the Designs Act.

43. In regard to both causes of action, suits claims are (i) against the same defendant or set of defendants, and; (2) in respect of the same set of acts and transactions. The only difference is that the relief claimed is different. The question is whether **Mohan Lal's** understanding on the inconsistency and disparateness as to the relief being fundamental to the frame of the suit, would defeat a composite action, *per se*.

44. A registered design owner, this court notices, *facially* satisfies the test of novelty (of the product's design) and that it was not previously published. For registration, the article must contain uniqueness or novelty in regard to elements such as shape, configuration, pattern, ornament or composition of lines of colours applied to any article; further there must be a visual appeal to the article (i.e. the aesthetic appeal). However, if the defendant establishes that indeed there was no novelty, or that a similar design had been published earlier, in the public domain, the infringement claim would be repelled. In respect of a passing of claim, distinctiveness of the elements of the mark, its visual or other presentation and its association with the trader or owner needs to be established. The factual overlap here is with respect to the presentation - in the design, it is the novelty and aesthetic presentation; in a passing off action, it is the distinctiveness (of the mark) with the attendant association with the owner. To establish infringement (of a design) fraudulent imitation of the article (by the defendant) has to be proved. Likewise, to show passing off, it is necessary for the owner of the mark to establish that the defendant



has misrepresented to the public (irrespective of intent) that its goods are that of the plaintiff's; the resultant harm to the plaintiff's reputation is an actionable claim.

45. This court is also of the opinion that the Full Bench ruling in **Mohan Lal** (*supra*) made an observation, which is inaccurate : it firstly correctly noted that registration as a design is not possible, of a trade mark; it, however later noted that “*post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being : the use of a registered design as a trade mark, is not provided as a ground for its cancellation under Section 19 of the Designs Act.*” This observation ignores that the Designs Act, Section 19(e) specifically exposes a registered design to cancellation when “(e) it is not a design as defined under clause (d) of section 2.” The reason for this is that Section 2 of the Designs Act, defines “design” as “...the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article.....; but does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958.....” Therefore, if the registered design *per se* is used as a trade mark, it apparently can be cancelled. The larger legal formulation in **Mohan Lal** (*supra*), that a passing off action i.e one which is not limited or restricted to trademark use alone, but the overall get up or “trade dress” however, is correct; as long as the elements of the design are not used as a trademark, but a larger trade dress get up, presentation of the product through its packaging and so on, given that a “passing off” claim can include but is also broader than infringement of a trademark, the cause of action against such use lies.

46. It is evident that there is a similarity between the nature of inferences and conclusions that are presented to the court, in the two causes of action. Significantly, the complaint of passing off as well as that of design infringement *emanate from the same fact*: sale or offer for sale, by the defendant of the rival product. In this context, it is relevant to notice that the expression “cause of action” was explained in this incisive manner in **Kusum Ingots & Alloys v Union of India**⁴³, as:

“every fact which would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the Court. Negatively put, it would mean that everything which, if not proved, gives the defendant an immediate right to judgment, would be part of cause of action.”

⁴³ (2004) 6 SCC 254



21.8.2 The following position emerges when one carefully reads paras 42 to 46 of *Carlsberg Breweries*:

(i) The very fact of registration of a design under the Designs Act facially satisfies the test of novelty and absence of prior publication. Section 4⁴⁴ of the Designs Act specifically states so.

(ii) Entitlement to registration of a design under the Designs Act requires cumulative satisfaction of two criteria, viz.

- (a) the existence of uniqueness or novelty with respect to shape, configuration, pattern, ornament or composition of lines or colours applied to an article, and
- (b) visual/aesthetic appeal of the article.

(iii) If the defendant is able to establish the absence of either of these criteria, i.e. if the defendant is able to establish either that the asserted design lacks novelty or that a similar design has been published in the public domain prior in point of time, the infringement action has to fail. This, too, flows from Section 22(3)⁴⁵ read with Section 19(1)⁴⁶ of the Designs Act.

⁴⁴ 4. **Prohibition of registration of certain designs.** – A design which –

- (a) is not new or original; or
 - (b) has been disclosed to the public any where 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
 - (c) is not significantly distinguishable from known designs or combination of known designs; or
 - (d) comprises or contains scandalous or obscene matter,
- shall not be registered

⁴⁵ (3) In any suit or any other proceeding for relief under sub-section (2), every ground on which the registration of a design may be cancelled under Section 19 shall be available as a ground of defence.

⁴⁶ 19. **Cancellation of registration.** –

- (1) Any person interested may present a petition for the cancellation of the registration of a



(iii) For a passing off claim to succeed, the plaintiff has to establish the distinctiveness of the elements of the mark and its visual or other presentation, and association of the mark with the trader or owner.

(iv) The factual overlap between a passing off action and an action for design infringement is in the presentation. In a design, the presentation is with respect to the novelty of the design and its aesthetic appeal, whereas, in a passing off action, the presentation has to establish distinctiveness of the mark and association of the mark with the owner.

(v) While, to succeed in a claim of design infringement/piracy, fraudulent imitation of the design, in the defendant's article, has to be proved, in a passing off action, the owner of the mark has to establish that the defendant has misrepresented to the public that its goods are those of the plaintiff. If this is established, an actionable claim in favour of the plaintiff results.

(vi) Thus, in para 42 of *Carlsberg Breweries*, Bhat J has identified the ingredients of a passing off action and of a design infringement action as being distinct and different, though there

design at any time after the registration of the design, to the Controller on any of the following grounds, namely:—

- (a) that the design has been previously registered in India; or
- (b) that it has been published in India or in any other country prior to the date of registration; or
- (c) that the design is not a new or original design; or
- (d) that the design is not registrable under this Act; or
- (e) that it is not a design as defined under clause (d) of Section 2.



is some degree of overlap in the matter of presentation of the design.

(vii) Para 43 of the report commences with the comment that the three Judge Bench in *Mohan Lal* made an observation, which was inaccurate. In our opinion, the use of the word ‘inaccurate’ is deliberate. It is not a word, which is commonly employed while referring to a precedent. If the 5-Judge Bench has chosen, instead of clearly overruling the observation of the three Judge Bench in *Mohan Lal* to which reference follows, and has instead merely characterized the observation as ‘inaccurate’, we are of the opinion that the terminology adopted by the five-Judge Bench has been consciously adopted.

(viii) Apropos the inaccuracy in the observations contained of the three Judge Bench in *Mohan Lal*, *Carlsberg Breweries* first notes that *Mohan Lal* correctly observed that a trademark could not be registered as a design.

(ix) The ‘inaccuracy’ in the decision in *Mohan Lal*, as noted in *Carlsberg Breweries* is with respect to the observations contained in para 22.8 of *Mohan Lal*⁴⁷ that ‘post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trademark by the registrant of the design. The reason being the use of a registered design as a trademark is not provided as a ground for its cancellation under Section 19 of the Designs Act.

⁴⁷ as reported in DLT



(x) The five Judge Bench was of the view that the afore extracted observation from para 22.8 of **Mohan Lal** was inaccurate as it failed to take into account clause (e) of Section 19 of the Designs Act. Section 19(e) exposed the registered design to cancellation if it was not a design as defined in Section 2(d) of the Designs Act. Section 2(d) specifically excluded, from the definition of “design”, any trademark as defined in Section 2(1)(v) of the 1958 Act. Thus, if a registered design was used as a trademark that constituted a ground for cancellation of the design. As such, the five-Judge Bench was of the view that the three-Judge Bench in **Mohan Lal** was inaccurate *in observing that post registration of a design under Section 11 of the Designs Act, there was no limitation on its use as a trademark by the registrant of the design* as the use of a registered design as a trademark did not constitute a ground for cancellation of the design under Section 19 of the Designs Act.

(xi) However, the five-Judge Bench proceeded to hold that the “*larger legal formulation*” in **Mohan Lal**, “that a passing off action i.e. one which is not limited or restricted to trademark use alone but the overall get up or trade dress, however, is correct; as long as the element of design are not used as a trademark but a larger trade dress, get up, presentation of the product through its packing and so on *given that a ‘passing off’ claim can include but is also broader than infringement of a trademark*, the cause of action against such use lies”.



(xii) If there is a “larger legal formulation”, there must also be a smaller legal formulation. The word “larger” is comparative, and means nothing in the absence of something smaller. What then, is the “smaller” legal formulation in ***Mohan Lal***, as compared to the “larger” legal formulation to which para 43 alludes?

(xiii) The “smaller” legal formulation is obviously the formulation which immediately *precedes* the “larger legal formulation” to which para 43 refers, which is the “inaccurate” observation, in ***Mohan Lal***, that “that ‘post registration under Section 11 of the Designs Act, there can be no limitation on its use as a trade mark by the registrant of the design’. This “smaller legal formulation”, according to the opinion of Bhat J, is “inaccurate”, because, by conjoint operation of Sections 19(e) read with 2(d) of the Designs Act, any such use would expose the design to the possibility of cancellation.

(xiv) The impugned judgment before us does not comment on the validity of Crocs’ registered design, or any possibility of its vulnerability to cancellation; ergo, this “smaller legal formulation” need not detain us.

(xv) The opinion of Bhat J, however, specifically *approves* the “larger legal formulation” in ***Mohan Lal***. It becomes necessary, therefore, to isolate and identify this “larger legal formulation”. It *must, however, be a formulation which finds place in Mohan Lal*. It is important to note this fact. The latter



part of para 43 of the opinion of Bhat J in *Carlsberg* does not propose, or profess, to lay down any new, or independent legal principle, but *only approves, as correct, the “larger legal formulation” contained in Mohan Lal.*

(xvi) *Mohan Lal* does *not* contain any legal formulation to the effect that an action for passing off can lie, at the instance of the proprietor of a registered design, only if the subject matter of the passing off action is “something more” than the design which stands registered. If no such principle is to be found in *Mohan Lal*, no such principle can, either, be read into the latter part of para 43 of *Carlsberg* either, as it merely approves the larger legal formulation in *Mohan Lal*.

(xvii) In this context, the words “trademark use”, as contained in para 43 of *Carlsberg* are, to our mind, significant. Para 43 of *Carlsberg* holds that the larger legal formulation in *Mohan Lal*, “that a passing off action, i.e. one which is not limited or restricted *to trademark use alone*”, is sustainable in law. Conflicting “trade mark use” is the *raison d’etre* of Section 29 of the Trade Marks Act, and the principle of infringement in trade mark law. “Trade mark use”, in the Trade Marks Act, is a concept much wider than mere commercial exploitation of a trade mark. Section 2(2)(b)⁴⁸ includes, in the concept of “use of a mark” within the Trade Marks Act, to any “use of printed or

⁴⁸ (2) In this Act, unless the context otherwise requires, any reference—

(b) to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark;



other visual representation of the mark” and Section 2(2)(c)(i)⁴⁹ clarifies that any reference to the use of a mark in relation to goods, in the Trade Marks Act, would be “construed as a reference to the use of the mark upon, *or in any physical or in any other relation whatsoever, to the goods*”. The words “in any relation whatsoever” are compendious words of expansion and would encompass use of the mark in any manner so as to denote a connection with the goods.

(xviii) Mere “trademark use” by the defendant, of the registered design of the plaintiff would not, therefore, in every case constitute a basis for a passing off action. If, however, to use the exact expressions employed in para 43 of *Carlsberg*, the “elements of the design” are not merely “used as a trade mark” but are used by the defendant as a “larger trade dress get up, presentation of its product through its packaging, and so on”, a sustainable claim for passing off would lie. Expressed otherwise, commercial use of the registered design of the plaintiff by the defendant, not merely as a trade mark, but as its larger trade dress, or packaging, or the like, so as to pass off its goods as the goods of the plaintiff, would certainly justify a claim for passing off at the instance of the plaintiff.

(xix) To our mind, the distinction that *Carlsberg* seeks to draw, in para 43, is between mere trademark use, as may give

⁴⁹ (2) In this Act, unless the context otherwise requires, any reference—

(c) to the use of a mark,—

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;



rise to a claim for infringement, and a use of the registered design of the plaintiff as the *trade dress and presentation* of the defendant, which would justify an action for passing off.

(xx) We cannot, therefore, read, into para 43 of ***Carlsberg***, any proposition that an action for passing off would lie only if the subject matter of the action is “something more” than the subject matter of the design registration. Apart from the fact that para 43 of ***Carlsberg*** does not say so, such a view is not to be found in ***Mohan Lal*** either, though para 43 expressly *approves* the “larger legal formulation” in ***Mohan Lal***. More importantly, such an interpretation would also be contrary to paras 67 to 69 of Mehta J’s opinion in ***Carlsberg***, with which the remaining four learned Judges, speaking through Bhat J, have expressly voiced their approval, in para 2 of the decision.

(xxi) No proscription against such a passing off action is to be found in the Trade Marks Act, or the Designs Act, or in ***Mohan Lal*** or ***Carlsberg***. The principle that such a passing off action can lie only if the “subject matter” of the action is “something more” than the subject matter of the design registration does not, in our view, appear to be supported by any substantial legal precedent.

(xxii) Para 46 of ***Carlsberg***, with which Bhat J concludes his opinion is, perhaps, a pointer to the correctness of this view. The opinion concludes by observing that, “if for some reason the claim for design infringement is *prima facie* weak and the



plaintiff cannot secure interim relief, it does not have to face uncertainty of another action before another Court; the same Court can review *the same facts and evidence, and conclude pendente lite, if prima facie passing off is made out, necessitating interim relief*". The *same facts and evidence* can, therefore, constitute the basis for a design infringement claim, as well as a passing off claim. The Court can arrive at a finding of passing off *on the basis of the same facts and evidence*, as would concern the Court while dealing with the claim of design infringement. This elucidation of the law confirms, perhaps more than anything else in *Carlsberg*, the legal position that the plaintiff does not have to base its case of passing off on "something more" than the subject matter of its design infringement claim. The *very same* subject matter can, therefore, constitute the basis of the claim of design infringement, as well as the claim of passing off. In other words, if the defendant, by using the plaintiff's registered design, or something deceptively similar thereto, seeks to pass off its goods as those of the plaintiff, a passing off action, at the instance of the plaintiff and against the defendant, *would lie*.

21.9 In our view, therefore, the learned Single Judge is not correct in his view that the suit instituted by Crocs, or by Dart, was not maintainable, predicated on the judgment of the five Judge Bench of this Court in *Carlsberg*.

22. On first principles – ingredients of passing off



22.1 We would arrive at the same conclusion if we were to approach the matter from first principles, unshackled by precedential fetters. Section 27(2) of the Trade Marks Act specifically excepts, from its statutory constraints, the right to sue for passing off. Passing off is a distinct right, which resides in its own common law space, apart from and independent of, the confines and constraints of the Trade Marks Act, or the Designs Act, or, for that matter, any other statute. In fact, there appears to be no justifiable reason to limit passing off to the use of one's trade mark, or even trade dress, by another. Black's Law Dictionary defines "passing off" as "the act or an instance of falsely representing one's own product as that of another in an attempt to deceive potential buyers".

22.2 There is a fundamental, and well recognized, distinction between infringement and passing off. Infringement merely involves a mark to mark comparison, and the right to infringement arises the moment a trade mark, or design, is registered. The plaintiff, in an infringement action, is not required to prove goodwill. A plaintiff who is the proprietor of a registered trade mark, or registered design, is entitled, statutorily, to injunct the rest of the world from using an identical, or deceptively similar, trade mark. This right comes into being immediately upon registration. The right to relief against infringement, therefore, arises from *registration*, not *user*. Section 28(1)⁵⁰ of the Trade Marks Act is clear on the point. Of course, the right is subject to the statutorily restraints in the Trade Marks Act,

⁵⁰ 28. **Rights conferred by registration.** –

(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.



with which we need not concern ourselves.

22.3 Similarity, or even identity, of trade marks, or trade dress does not, by itself, however, provide a valid cause of action for passing off. Proof of the existence of goodwill, in the plaintiff, is an indispensable *sine qua non*. Sans goodwill, no action for passing off can sustain. The Supreme Court has identified the ingredients of passing off thus, in its recent decision in ***Birhan Karan Sugar Syndicate (P) Ltd v Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana***⁵¹:

“12. There is a finding recorded by the High Court in the impugned judgment that the labels used on the bottle of country liquor sold by the appellant and the labels on the bottle of country liquor sold by the respondent are similar. At this stage, we may note the legal position regarding the factual details which are required to be proved in a passing off action. Firstly, we may refer to a decision of this Court in ***Satyam Infoway Ltd. v Siffynet Solutions (P) Ltd.***⁵², Paras 13 to 15 of the said decision read thus:

“13. The next question is, would the principles of trade mark law and in particular those relating to passing off apply? An action for passing off, as the phrase “passing off” itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff’s. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public. The defendant must have sold its goods or offered its services in a manner which has deceived or would be likely to deceive the public into thinking that the defendant’s goods or services are the plaintiff’s. The action is normally available to the owner of a distinctive trade mark and the person who, if the word or name is an invented one, invents and uses it. If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed. The question is, as has been aptly put, who gets these first? *It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.*

⁵¹ (2024) 2 SCC 577

⁵² (2004) 6 SCC 145



14. The second element that must be established by a plaintiff in a passing off action is misrepresentation by the defendant to the public. The word “misrepresentation” does not mean that the plaintiff has to prove any mala fide intention on the part of the defendant. Of course, if the misrepresentation is intentional, it might lead to an inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to the plaintiff [*Cadbury-Schweppes (Pty) Ltd. v PUB Squash Co. (Pty) Ltd.*⁵³; *Erven Warnink Besloten Vennootschap v J. Townend & Sons (Hull) Ltd.*⁵⁴]. What has to be established is the likelihood of confusion in the minds of the public (the word “public” being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion the courts must allow for the “imperfect recollection of a person of ordinary memory” [*Aristoc Ltd. v Rysta Ltd.*⁵⁵].

15. The third element of a passing off action is loss or the likelihood of it.”

(emphasis supplied)

13. Thus, the volume of sale and the extent of advertisement made by the appellant of the product in question will be a relevant consideration for deciding whether the appellant had acquired a reputation or goodwill.

14. At this stage, we may also refer to the decision of this Court in *Toyota Jidosha Kabushiki Kaisha v Prius Auto Industries Ltd.*⁵⁶. In this decision, this Court approved its earlier view in *S. Syed Mohideen v P. Sulochana Bai*⁵⁷ that the passing off action which is premised on the rights of the prime user generating goodwill, shall remain unaffected by any registration provided in the Act. In fact, this Court quoted with approval, the view taken by the House of Lords in *Reckitt & Colman Products Ltd. v Borden Inc.*⁵⁸ The said decision lays down triple tests. One of the tests laid down by the House of Lords was that the plaintiff in a passing off action has to prove that he had acquired a reputation or goodwill connected with the goods. Thereafter, in

⁵³ 1981 RPC 429 : (1981) 1 WLR 193

⁵⁴ 1979 AC 731 : (1979) 3 WLR 68 : 1980 RPC 31 (HL)

⁵⁵ 1945 AC 68 (HL)

⁵⁶ (2018) 2 SCC 1

⁵⁷ (2016) 2 SCC 683

⁵⁸ (1990) 1 WLR 491 (HL)



para 40 of *Toyota*, this Court held that if goodwill or reputation in a particular jurisdiction is not established by the plaintiff, no other issue really would need any further examination to determine the extent of the plaintiff's right in the action of passing off.

15. Coming to the facts of the case, the appellant examined only two witnesses. The first witness was Mr K.K. Kalani and the second one was Mr Sudhir Pokhale. Mr Sudhir Pokhale was examined on an altogether different issue regarding the approval of labels sought by the respondent. The impugned judgment contains a list of the exhibited documents produced by the appellant. Exts. 73, 73.1 to 73.4 are the statement of sales as well as advertisement and sale promotion expenses certified by a Chartered Accountant. However, we find that the Chartered Accountant was not examined to prove the statements. In the examination-in-chief of Shri K.K. Kalani, in para 10, only the figures of sales and marketing expenses have been quoted.

16. *Prima facie*, it appears to us that at the time of the final hearing of the suit, it was incumbent upon the appellant-plaintiff to actually prove the figures of sales and expenditure incurred on the advertising and promotion of the product. Only by producing the statements without proving the contents thereof, the appellant could not have established its reputation or goodwill in connection with the goods in question. According to the witness, the statements produced were signed by a Chartered Accountant Mr Natesh. This aspect surely makes out a *prima facie* case for grant of stay to the execution of the decree in favour of the respondent as regards the passing off action.

17. For establishing goodwill of the product, it was necessary for the appellant to prove not only the figures of sale of the product but also the expenditure incurred on promotion and advertisement of the product. *Prima facie*, there is no evidence on this aspect. While deciding an application for a temporary injunction in a suit for passing off action, in a given case, the statements of accounts signed by the Chartered Accountant of the plaintiff indicating the expenses incurred on advertisement and promotion and figures of sales may constitute a material which can be considered for examining whether a *prima facie* case was made out by the appellant-plaintiff. However, at the time of the final hearing of the suit, the figures must be proved in a manner known to law.

18. Even assuming that the allegation of deceptive similarity in the labels used by the respondent was established by the appellant, one of the three elements which the appellant was required to prove, has not been proved. Therefore, we find that the High Court was justified in staying that particular part of the decree of the trial



court by which injunction was granted for the action of passing off.”

22.4 Over six decades ago, the Supreme Court identified the features of distinction between infringement and passing off thus, in *Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmaceuticals Laboratories*⁵⁹:

“28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which the learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy for the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods” (Vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for

⁵⁹ AIR 1965 SC 980



infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff."

22.5 Passing off is, therefore, a *sui generis* common law remedy, aimed at protecting one's hard-earned goodwill and reputation from others who may deceitfully seek to capitalize on it. It resides pristinely in its own universe, and is one of the *very* few non-statutory remedies, available in law, which is accorded statutory recognition in Section 27(1) of the Trade Marks Act. Indeed, we are unable, offhand, to recollect any other such common law remedy which is granted statutory protection in our country. It is a precious right, therefore, and has to be sedulously protected. Its availability, as a cause of action, cannot, therefore, be denied, unless the law denies it. To our mind, no law does so.

22.6 Whether, on facts, a case of passing off is, or is not, made out, is another matter altogether. If it is, however, the Court cannot decline



protection to the plaintiff on the sole ground that the subject matter of the passing off action happens to be a design in respect of which the plaintiff has a registration under the Designs Act. As para 46 of **Carlsberg** clarifies, even if a design infringement case is not made out, for whatever reason, the Court can, *on the same facts and evidence*, find a case of passing off to be made out, and grant relief.

23. We are constrained, therefore, to hold that, in declining to do so, and dismissing Crocs' suits as not maintainable, the learned Single Judge, in our respectful view, erred in law.

24. Even for this reason, we are of the opinion that the learned Single Judge erred in dismissing Crocs' suits as not maintainable.

25. Other aspects argued at the Bar do not, therefore, survive for consideration. Mr. Sai Deepak sought to submit, at length, that, even if the interpretation placed by the learned Single Judge on para 43 of the judgment in **Carlsberg** were to be treated as correct, it would merely constitute obiter and would not, therefore, be binding. Mr. Saikrishna Rajagopal submitted, *per contra*, that the findings were incidental to the decision of the main issue before the five Judge Bench and could not, therefore, be regarded as obiter. We confess that we are inclined to agree with Mr. Rajagopal, to the extent that para 43 of **Carlsberg** cannot be regarded as obiter, dealing, as it does, with the scope of the passing off action. It is not necessary, however, for us to deliberate further on the point as, in our view, para 43 of **Carlsberg** does not, in any way, justify the decision of the learned Single Judge to dismiss the Crocs' suits as not maintainable.



26. Could the complaints have been rejected straightaway?

26.1 We also have our doubts as to whether, even if the view adopted by the learned Single Judge were to be treated as correct, the suits could have been dismissed straightaway as, at the very least, the appellants would have to be given an opportunity to establish that their claim for passing off was *not* based merely on copying, or imitation, of their registered design by the respondents. We do not think that this issue could have straightaway been decided by a mere reading of the plaint. Assuming, merely for the sake of argument, that a suit for passing off could not lie merely on the plea that the registered design of the plaintiff was copied by the defendant, we are of the respectful view that the learned Single Judge erred in presuming, at the very outset, that the subject matter of Crocs' passing off claim was only its registered design, and nothing else, or beyond that. This was an issue of fact, regarding which the averments in the plaint, which we have carefully perused, do not appear to be conclusive.

26.2 For this reason, too, we are of the opinion that the dismissal of Crocs' suits cannot sustain in law.

Conclusion

27. As a result, the impugned judgment, dated 18 February 2019, of the learned Single Judge, is quashed and set aside.



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28. CS (Comm) 903/2018, CS (Comm) 905/2016, CS (Comm) 906/2016, CS (Comm) 1415/2016, CS (Comm) 569/2017 and CS (Comm) 571/2017 are restored to the file of the learned Single Judge, who would proceed with the matters from the stage at which the impugned judgment came to be passed.

29. RFA (OS) (Comm) 22/2019, RFA (OS) (Comm) 23/2019, RFA (OS) (Comm) 24/2019, RFA (OS) (Comm) 25/2019, RFA (OS) (Comm) 26/2019 and RFA (OS) (Comm) 27/2019 are allowed accordingly, with no orders as to costs.

The Dart appeal

30. In view of the above discussion, CS (Comm) 837/2016 is also held to have been maintainable.

31. FAO (OS) (Comm) 358/2019 would now be heard on merits, on the date already fixed.

C. HARI SHANKAR, J.

AJAY DIGPAUL, J.

July 1, 2025

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Click here to check corrigendum, if any