

# Design Law and Copyright Law Conflict in India

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## ABSTRACT

Section 15(1) of the Copyright Act categorically prohibits copyright protection if a design is registered under the Design Act. Further, sub-section 2 of Section 15 states that, if a design is capable of being registered under the Designs Act but the same has not been registered, such design will cease to have copyright protection as soon as an article to which such design is applied is reproduced more than 50 times by an industrial process. Section 2(d) of The Designs Act excludes any artistic work as defined in Section 2(c) of the Copyright Act from the definition of 'design' under the Designs Act.

**Keywords :** Design Law, Copyright Law, Conflict, India

## I. INTRODUCTION

From bare reading of sections discussed above it is clear that, if a material is an artistic work under the copyright law than that cannot have any protection under the Designs Act, and if a work is capable of being registered under the Designs Act than that work will cease to have copyright protection as soon as an article with such work is produced more than 50 times.

It seems that, there are two reasons behind the framing of **Section 15(2) of the Copyright Act**; one latent and the other patent. The latent intent of law makers behind this section look as if to prevent the overlap of IP Rights. It is meant to prohibit a person from enjoying copyright protection along with design protection once the material has been registered under the Designs Act. And the patent reason behind this section is prima facie visible from the bare reading of the section and i.e., to stop a person from enjoying copyright protection for a material which is applied to an article by use of an industrial process for 50 times. [Spicy IP]

To find out that whether a material is artistic work or Design, it is crucial for us to look into *Microfibers v.*

*Girdhar* [2006 (32) PTC 157 Del]. In this case Plaintiff alleged that the Defendant had infringed its copyright in artistic work. The Plaintiff had copyright on some artistic work (floral designs) and it was stated that the defendant infringed its copyright by applying those designs on upholstery fabric produced by Defendant (para. 8). Defendant argued that, the Plaintiff is not entitled to copyright protection because the artistic work are actually designs relating to textile products and come within the scope of Designs Act. And as Plaintiff has failed to apply for registration under Indian Designs Act therefore he is left with no remedy under both the legislations (para 10).

The first issue before the court was to determine whether there is any Copyright in the stated artistic work of the Plaintiff (para no. 36)? To resolve this issue the Court applied the 'object test' to determine the nature of the work. In this case the court ruled that, while deciding whether a material is an artistic work or a design the object behind such material need to be given due importance. In the instant case, the work was floral designs and the court ruled that, since the object of these designs was its application to the upholstery fabric i.e. industrial use therefore it does not have any independent significance and would fall

under Design (para no. 62). Also, the Privy Council in **Interlogo v. Tyco Industries** held that the whole purpose behind the design legislature was to protect works which did not have independent artistic merit and assumed significance only on application to an article.

The court further ruled that, since the plaintiff's work falls under the Designs Act and has been produced more than 50 times, the copyright in the work has ceased to exist. Additionally, the plaintiff did not get his work registered under the designs Act therefore; there cannot be any protection in the favour of the Plaintiff for the disputed work (para no. 67).

Also, the Delhi High Court in *Aga Medical Corporation vs Mr. Faisal Kapadi and Anr* [2003 (26) PTC 349 Del] has already ruled that if a material is capable of being registered under the designs Act but has not been registered then that material cannot have copyright protection.

Having said that, it is clear that a design can get copyright protection but that protection ceases to exist once such design is applied to an article and the same article is produced more than 50 times through an industrial process.

## II. SEPARATION OF RIGHTS UNDER COPYRIGHT & DESIGN LAWS

Under the Indian IP system, a clear distinction has been made between rights available under the Designs Act, 2000 ("the Designs Act") and the Copyright Act, 1957 ("the Copyright Act"), to avoid any overlap in protection under the two Acts. However, owing to a similarity in the work protectable under these laws, creators and manufacturers have many times been left to answer a very basic question regarding the type of protection which they should avail when an artistic work is produced.

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

As per Section 15(1) of the Copyright Act, copyright under the Copyright Act shall not subsist in a design protected under the Designs Act. Hence, once a design is registered, the proprietor foregoes the protection under the Copyright Act. Further, under Section 15(2) of the Copyright Act, if any design which can be registered under the Designs Act is not so registered, then the copyright under the Copyright Act on such a design shall cease as soon as any article to which the design has been applied has been reproduced more than 50 times by an industrial process by the owner of the design or by any other person with the license of the owner. In this case, if the proprietor does not get the design registered and manufactures more than 50 pieces of the article with that design, the proprietor then ends up foregoing the copyright protection under the Copyright Act as well.

Point of law regarding availability of protection under the Copyright Act for a design protectable under the Designs Act has been discussed in detail by the Delhi High Court in the matter of *Microfibres Inc v. Girdhar and Co.* [2006(32) PTC 157 (Del.)] and on appeal as reported in 2009(40) PTC 519 (Del.). The plaintiff in this case was engaged worldwide in the business relating to manufacturing, marketing, selling and

exporting of upholstery fabrics and had alleged violation by the defendants of its copyright in the artistic works applied to upholstery fabrics and in particular, the defendant was reproducing identical copies or colourable imitations of the artistic works on its own fabrics.

In response to the plaintiff's allegations of copyright violation, the defendants argued that the plaintiff is not entitled to protection under the Copyright Act as the artistic work under contention was protectable under the Designs Act and has been produced for more than 50 times. The Single Judge of the Delhi High Court in judgment dated 13-1-2006 agreed with the defendant and refused to grant relief by observing that the exclusion of an artistic work as per Copyright Act from the definition of design under Designs Act was meant only to exclude paintings and such works of art.

Appeal against the order of Single Judge was dismissed by a Bench of 3 judges of the Delhi High Court. In its judgment, the Delhi High Court divided the artistic work into "original artistic work" and commercial/industrial manifestation of such artistic work such as the design derived from and founded upon the original artistic work. In the latter case, the work should be registered as a design under the Designs Act. The Delhi High Court observed that "Thus, we are of the view that an original artistic work initially acquires protection under the Copyright Act as an 'artistic work' or else the protection under the Designs Act qua the product created from the artistic work when industrially applied."

The Delhi High Court came to the conclusion that although, copyright would exist in the original work of art and the author/holder would continue enjoying the longer protection granted under the Copyright Act in respect of the original artistic work per se, however, when the artistic work is applied to an article and is industrially produced, the design would

have to be registered under the Designs Act. If the design has not been registered under the Designs Act, the design would continue to enjoy copyright protection under the Copyright Act till the time it has not been applied on the article for more than 50 times through the industrial process.

In the recent case of Pranda Jewellery Pvt. Ltd. v. Aarya 24 kt & Ors., the Bombay High Court, in its judgment pronounced in April 2015 relied on the Delhi High Court's interpretation for deciding on the plaintiff's claim for violation of its copyright. The plaintiff was engaged in the business of designing, marketing and selling gold sheet articles of deities and religious symbols under the brand name 'Prima Art'. The plaintiff alleged copyright infringement by defendant in respect of producing identical gold sheet articles of deities and religious symbols. The defendants challenged the plaintiff's copyright over the impugned artistic work and relied on Section 15 of the Copyright Act. The defendants argued that the artistic works were capable of being registered as designs under the Designs Act, and on not being so registered, the copyright in them ceased after being applied to a product for more than 50 times by an industrial process.

Relying on the judgments of the Delhi High Court in Microfibres Inc. and in Rajesh Masrani v. Tahiliani Design Pvt. Ltd. [AIR 2009 Delhi 44], the Bombay High Court observed that:

"An 'artistic work' so long as it can qualify as an artistic work reproduced in any form shall continue to enjoy the copyright available to it under the Copyright Act, 1957. But when it is used as the basis for designing an article by its application by an industrial process or means, meaning thereby an article other than the artistic work itself in a two or three dimensional form, it would enjoy a lesser period of protection of copyright under Section 11 of the Designs Act, 2000, if registered as a design under that

Act, and if not so registered (despite being registrable), would cease to enjoy any copyright after more than fifty such applications, under Section 15(2) of the Copyright Act, 1957. Once again, as an original artistic work it would continue to enjoy the full copyright under the Copyright Act, 1957 and cannot be reproduced in any two or three dimensional form by anyone except the owner of the copyright. What it would cease to enjoy is the copyright protection in its industrial application for production of an article.”

### III. THE INTERPLAY BETWEEN COPYRIGHT AND DESIGNS IN INDIA

Indian copyright and design laws have a curious and blurry overlap, the effect of which is most obvious in the applied art industry. A work created as a design for a commercial product can lead to all types of legal queries including questions on the intent with which the work was created or whether one’s design’s reproduction is limited to 50 copies or has exceeded that threshold.

If you’re looking for intellectual property protection in this realm, a good place to start is the Designs Act, 2000. The definition of a design specifically excludes an artistic work, which is capable of acquiring copyright protection. Protection under copyright law lasts much longer than design law and some judges have reasoned that if a piece of art purely translates an artist’s vision to canvas, then it is an artistic work and merits longer (copyright) protection.

However, if one creates art with the aim of mass commercialisation, it is no longer an artistic work but a design entitled to a shorter 15-year monopoly maximum. If your work falls in the latter category, then protection must be sought by registering the design under the Designs Act. But notably, if you miss out on statutory design protection, the copyright statute (the Copyright Act, 1957) offers a respite, albeit a limited one—section 15(2) protects copyright

in such a design until 50 reproductions of the design are made by an industrial process. Upon the making of the 51st reproduction, copyright ceases.

#### 3.1 Case Studies

Company ‘A’ creates some original, artistic patterns and uses these as prints for upholstery fabrics. Company ‘B’, also in the business of manufacturing and selling upholstery, comes out with similar prints on its fabrics. This leads ‘A’ to allege copyright infringement and passing off; ‘B’ counters that the works of ‘A’ are not artistic works worthy of copyright protection, but rather designs it ought to have registered under the Designs Act. These were the exact facts in the case of *Microfibres v Girdhar & Co* in 2009.

The Delhi High Court agreed that the fabrics of ‘B’ did incorporate designs founded on artistic patterns belonging to ‘A’. However, the drawings of ‘A’ were meant for commercial exploitation and therefore qualified not for copyright, but design protection. Absent a design registration, ‘A’ was not entitled to any relief.

The court reasoned that artistic works created for independent existence could be differentiated from works created for application on another article by an industrial process. The object of making a work was significant for determining the nature of protection applicable to it. A painting by a well-known painter had independent existence and was copyrightable. Drawings created only for application to fabric had no reason for independent existence and were allotted as designs.

On appeal, the division bench (comprising two judges) held that an artist’s objective at the time of creating an artistic work was indecipherable and need not be considered. Copyright would remain in an original artistic work (say an Andy Warhol painting) for its entire term and a derivative of such work for the

purpose of industrial application (say an image optimised for printing the Warhol image on coasters) would qualify for independent IP protection—in this case, as a design under the Designs Act.

But could it be argued that despite thousands of coasters with the Warhol image being printed, since there was only one derived Warhol image (optimised as a print template), it qualified for copyright protection in the absence of being registered as a design? No, said the court—commercial objects usually stem from ‘moulds’, and to grant moulds (in this case, the derived image) means extended copyright protection would defeat the very purpose of design legislation.

The Microfibres judgment was viewed as “harmonising the Copyright and the Designs Act in accordance with the legislative intent” and reiterated soon after by the same court in *Vishvajeet Sharma v State*.

In May 2014, in *Jagdamba Impex v Tristar Products*, also before the Delhi court, Tristar claimed copyright over 2D industrial drawings used commercially for manufacturing 3D equipment to make combs.

Jagdamba began manufacturing combs using identical machines that were later revealed as based on Tristar’s industrial drawings. In the first instance, Tristar succeeded in restraining Jagdamba from its copyright infringing acts, but on appeal the court observed that industrial drawings used to produce combs had no independent existence and therefore did not qualify as artistic works under the copyright statute.

Tristar’s entitlement to copyright protection under section 15(2) was lost once its drawings were used to produce more than 50 combs by an industrial process, and since the drawings were not registered as designs, no cause of action remained against Jagdamba.

Yet when Tristar filed a special leave petition before the Indian Supreme Court, the high court’s observation on exhaustion of copyright protection vis-a-vis drawings used to manufacture more than 50 articles was set aside. The trial court was directed to independently examine the issue and that decision is still awaited.

Almost concurrently, the Bombay High Court expressed having “gravest misgivings” about the applicability of the Jagdamba decision and took a divergent view in *Photoquip India v Delhi Photo Store*. Here the plaintiff created machine drawings used to make pilot moulds from which flash lights were manufactured and asserted copyright in both the drawings and moulds.

It alleged that the defendant’s flash lights infringed the copyright in its drawings, and the court agreed. The plaintiff’s drawings were upheld as artistic works capable of copyright protection. It was impossible for the defendant to reproduce the articles without reverse-engineering them and preparing illicit drawings; these infringed the plaintiff’s copyright.

In a related development, a writ petition challenging section 15(2) of the Copyright Act is pending before the Delhi High Court (*Mukul Goyal v Union of India*). Although its full details are not in the public domain, the challenge is reportedly based on article 14 of the Constitution, which guarantees citizens the right to equality. This petition urges that section 15(2) arbitrarily singles out the applied art industry (as opposed to other creative industries) and the threshold on reproductions, ie, 50, is arbitrary for it is based on no logical consideration.

Deciding on cases involving overlaps in IP has never been easy. But the particular issue discussed has remained ambiguous for far too long and it is hoped clear directions will emerge from the courts in the near term.

#### IV. CONCLUSION

When an artistic work is applied, by an industrial process, on an article of which the proprietor is likely to manufacture more than 50 pieces, it is important that design registration be obtained under the Designs Act as the proprietor is likely to lose copyright protection for the article under the Copyright Act. Since a design has to be novel for it to be registered, the design application should be made before the artistic work is made public in anyway.

#### V. REFERENCES

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