2025 INSC 483

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

Civil Appeal No. ____ / 2025
(Arising out of Special Leave Petition (C.) No. 28062 / 2024)

Cryogas Equipment Private Limited ....Appellant(s)

versus

Inox India Limited and Others ....Respondents

WITH

Civil Appeal No. ____ / 2025
(Arising out of Special Leave Petition (C.) No. 28017 / 2024

LNG Express India Private Limited ....Appellant(s)

versus

Inox India Limited and Others ....Respondents

JUDGEMENT

SURYA KANT, J.

Leave granted.

2. The captioned appeals arise from a common judgement dated 22.10.2024 delivered by the High Court of Gujarat at Ahmedabad (**High Court**) in a dispute between the parties primarily concerning an alleged copyright infringement, whereby the 4th Additional District Judge at Vadodara's (**Commercial Court**) order dated 03.05.2024 allowing an application under Order VII Rule 11 of the Code of Civil Procedure, 1908 (**CPC**) was set aside, and the Suit filed by Respondent No. 2 was restored to its original number (**Impugned Judgement**).

3. The parties to the appeal are, *inter alia* embroiled in a dispute concerning the purported infringement of intellectual property (**IP**) rights in relation to the designing and manufacturing of the internal parts of Cryogenic Storage Tanks and Distribution Systems which are mounted on Trailers and Semi-Trailers, to effectively transport industrial gases, liquified natural gas (**LNG**) and such like substances.

A. FACTS

4. That being so, given the shared sequence of events underlying these two appeals, this presents an appropriate juncture for a detailed examination of the factual matrix.

4.1. The dispute between the parties arose when Respondent No. 1 in these appeals, Inox India Limited (**Inox**), filed Trademark Suit No. 3/2019 (**Suit**) before the Commercial Court against the Appellants, i.e. Cryogas Equipment Private Limited (**Cryogas**) and LNG Express India Private Limited (**LNG Express**), on 24.09.2018. Inox primarily alleged that Cryogas, LNG Express, and others had infringed two distinct types of copyright: (***i***) the drawings of LNG Semi-trailers developed by Inox (**Proprietary Engineering Drawings**); and (***ii***) the details, processes, descriptions and narrations written by Inox employees in creating the Proprietary Engineering Drawings (**Literary Works**). These IPs were supposedly developed by Inox to meet the specific requirements for storing and transporting sophisticated LNG Semi-trailers suitable for Indian roads.

4.2. In this Suit, Inox sought relief in terms of: (***i***) a declaration that Cryogas, LNG Express and others have infringed Inox's Proprietary Engineering Drawings, IP and Literary Works; (***ii***) a permanent injunction restraining Cryogas, LNG Express and the other associated parties from using or reproducing any drawings or

works similar to that of Inox's Proprietary Engineering Drawings or Literary Works; (***iii***) a permanent injunction against the use of any IP or know-how associated with manufacturing the impugned products; (***iv***) an order directing Cryogas, LNG Express and others to surrender all infringing materials for destruction, including drawings, trailers, labels and other items using the Proprietary Engineering Drawings; and (***v***) an award of damages amounting to Rs. 2 Crores for copyright infringement.

4.3. In addition, Inox filed an application under Order XXXIX Rules 1 and 2 of the CPC, seeking an *ad interim* injunction to restrain Cryogas, LNG Express, and others from infringing its IP rights and confidential information during the pendency of the Suit.

4.4. In response thereto, LNG Express moved its application under Order VII Rule 11 of the CPC, seeking rejection of the Suit on the ground that it was not maintainable under Section 15(2) of the Copyright Act, 1957 (**Copyright Act**). It primarily contended that the Proprietary Engineering Drawings, for which Inox claimed copyright protection, fell within the definition of a 'design' under Section 2(d) of the Designs Act, 2000 (**Designs Act**). It argued that Inox had lost copyrights for the said drawings by failing to register them under the Designs Act. Furthermore, LNG Express asserted that copyright does not subsist in any design that is registered or

capable of being registered under the Designs Act once it has been reproduced more than fifty times by an industrial process, either by the copyright owner or any authorised licensee. Specifically, it contested Inox's claim of generating revenue amounting to Rupees 122 crores, arguing that such proceeds could only have been realised through the sale of Cryogenic Semi-trailers manufactured by an industrial process and using the Proprietary Engineering Drawings in excess of the stipulated threshold of fifty reproductions. In this context, LNG Express assailed that protection could not be sought under the Copyright Act by virtue of Section 15(2), and the Suit thus falls at the threshold.

4.5. The Commercial Court, on 01.04.2022, allowed the application filed by LNG Express under Order VII Rule 11 of the CPC, consequently rejecting Inox's plaint and its application for interim injunction. Inox filed two appeals before the High Court challenging the orders of the Commercial Court. On 13.03.2024, the High Court, through a common order set aside the Commercial Court's order, holding that it erred in allowing the application under Order VII Rule 11 of the CPC, which had led to the rejection of both the plaint and the prayer for interim injunction. The High Court remanded the matter to the Commercial Court for fresh consideration, restoring the Suit

to its original number and directing it to adjudicate the pending applications concurrently while issuing separate orders for each.

4.6. Subsequently, on 03.05.2024, in compliance with the High Court's directions, the Commercial Court reconsidered the aforementioned applications. By way of separate orders, it allowed LNG Express' application under Order VII Rule 11 of the CPC, resulting in the rejection of the plaint, and consequently dismissed Inox's application for *ad interim* injunction.

4.7. Inox once again approached the High Court, challenging the Commercial Court's orders dated 03.05.2024 through separate appeals. The High Court, in turn, *vide* the Impugned Judgment, set aside the Commercial Court's orders based on the following rationale and has issued: (***i***) The Commercial Court erred in law by presuming that the Proprietary Engineering Drawings qualified as a 'design' under Section 2(d) of the Designs Act and stood utilised to manufacture a product more than fifty times through an industrial process, thereby excluding it from protection under the Copyright Act; (***ii***) LNG Express' application under Order VII, Rule 11 of the CPC was rejected, and the Suit was restored to its original number; (***iii***) Inox's interim injunction application under Order XXXIX Rules 1 and 2 of the CPC was reinstated; and (***iv***) The restored interim injunction application was directed to be decided

by the Commercial Court on its merits independently and as expeditiously as possible, preferably within eight weeks.

4.8. Hence, the instant appeals. We may clarify at this stage that after reserving our judgment on 29.01.2025 and pending the present proceedings, the Commercial Court was permitted to proceed with hearing the parties on the interim application in accordance with the High Court's directions. However, the passing of the final order was directed to remain in abeyance.

B. CONTENTIONS ON BEHALF OF THE APPELLANTS

5. Mr. Shyam Divan, learned Senior Counsel appearing for Cryogas and LNG Express, vehemently argued that the High Court erred in setting aside the Commercial Court's order dated 03.05.2024, which had allowed their application under Order VII Rule 11 of the CPC. In support of his contentions, he advanced the following submissions:

(a) Inox filed the Suit seeking protection of the Proprietary Engineering Drawings under the Copyright Act, alleging that Cryogas and LNG Express had infringed its IP rights in both the artistic elements of the drawings and the literary components detailing the processes and descriptions therein. Inox further sought to restrain Cryogas and LNG Express from

converting the two-dimensional industrial drawings of cryogenic Semi-trailers into three-dimensional representations. However, these pleas ought to be outrightly rejected as they have been raised as an afterthought to circumvent the applicability of Section 15(2) of the Copyright Act. Admittedly, Semi-trailers can only be manufactured through an industrial and mechanical process.

(b) LNG and Cryogenic Semi-trailers worldwide are designed in accordance with international standard-setting bodies such as the American Society of Mechanical Engineers (**ASME**) and the Pressure Equipment Directive (**PED**). Given that these trailers are used for transporting cryogenic liquids, their design must comply with country-specific regulations, while international standards prescribe detailed guidelines on design parameters, material selection, and internal components. Accordingly, all relevant stakeholders, including the parties herein, adhere to PED stipulations and the guidelines issued by the Ministry of Road Transport and Highways of India.

(c) The Suit is barred under Section 15(2) of the Copyright Act, as the Proprietary Engineering Drawings, for which Inox claims copyright infringement, are capable of being registered under the Designs Act. The copyright protection for such drawings

would cease to subsist in view of Section 15(2) of the Copyright Act once Semi-trailers are reproduced or manufactured more than fifty times through an industrial process.

(d) The right to protect IP in terms of the Proprietary Engineering Drawings would, however, be available to Inox under the Designs Act, provided the said drawings were registered under it. Furthermore, 'Semi-trailers' or 'Road Vehicle Trailers' manufactured by Inox fall within the classification under Schedule III of the Designs Act, specifically Class 12-10. Consequently, to claim an IP infringement, Inox should have registered the Proprietary Engineering Drawings under the Designs Act.

(e) The objective of the Copyright Act is to protect artistic works such as paintings, sculptures, and other forms of creative expression for extended periods. In contrast, the Designs Act is intended to safeguard industrial designs for a limited duration to facilitate commercial exploitation. The Legislature's intent was thus to provide protection for industrial designs, such as the Proprietary Engineering Drawings, under the Designs Act rather than the Copyright Act, so as to ensure that such works are regulated within the appropriate legal framework.

(f) Inox has failed to disclose in its plaint before the Commercial Court the number of Semi-trailers it has produced through an industrial process. Instead, it has engaged in strategic drafting by selectively revealing that it has generated revenue of Rupees 122 crores, seemingly to circumvent the legal effect of Section 15(2) of the Copyright Act. However, such revenue can be reasonably inferred to result from the production of more than fifty Semi-trailers, thereby triggering the bar under Section 15(2) of the Copyright Act. Inox cannot rely on evasive drafting to create a misleading impression of a valid cause of action. These contentions were buttressed by relying on the ratio laid down in decisions such as ***Shri Mukund Bhavan Trust and others v. Shrimant Chhatrapati Udayan Raje Pratapsinh Bhonsle***.[1]

(g) Inox has erroneously asserted that the Proprietary Engineering Drawings are not capable of registration as 'designs' under Section 2(d) of the Designs Act on the ground that the products manufactured using these drawings lack visual appeal, as they pertain to the inner vessel of the Semi-trailer, which remains concealed. This claim ought to be rejected, as the drawings fall within the category of designs capable of registration under the

[1] (2024) SCC OnLine SC 3844.

Designs Act but have not been registered. Moreover, it is incorrect to suggest that the Semi-trailers lack visual appeal, given that the drawings also encompass the external shape and components of a Semi-trailer. In any case, the question of visual appeal is inherently subjective and cannot be a determinative factor for considering an application under Order VII Rule 11 of the CPC.

(h) The scope of inquiry before the Commercial Court in the Suit is limited to determining whether the Proprietary Engineering Drawings are capable of registration under the Designs Act and, if they have not been so registered, whether they lose the protection of the Copyright Act once applied to articles through an industrial process. The question of such drawings being subject to the limitations imposed by Section 15(2) of the Copyright Act is a pure question of law, which should be decided based on a *prima facie* appraisal of the averments in the plaint, without the necessity of adducing further evidence.

(i) Lastly, Inox's assertion that the plaint also pertains to the alleged theft of confidential information and trade secrets by Respondent Nos. 3 and 4, ought to be rejected at the threshold. The plaint contains no specific prayers regarding such claims, and any alleged breach of this nature arising from a common

law right would be actionable before a civil court rather than a Commercial Court, which *inter alia* may only adjudicate matters related to IP rights. Moreover, a perusal of the plaint reveals that the Suit has been filed for copyright infringement under Section 62(2) of the Copyright Act, which falls within the jurisdiction of the Commercial Court.

C. ***CONTENTIONS ON BEHALF OF RESPONDENT NO. 1***

6. Mr. Chander M. Lall and Mr. J. Sai Deepak, Learned Senior Counsels representing Inox, refuted the claims put forth by Cryogas and LNG Express and instead adduced the following submissions:

(a) The Suit pertains to two distinct categories of copyright: the Proprietary Engineering Drawings and the Literary Work. Consequently, the reliefs sought in the Suit are also distinct in nature. As a result, each IP claim should be assessed independently, with due consideration given to its unique characteristics and legal implications.

(b) Industrial drawings, such as the Proprietary Engineering Drawings, fall within the definition of 'artistic works' under Section 2(c) of the Copyright Act. An artistic work can be denied copyright protection by invoking Section 15(2) of the

Copyright Act only if such work is either registered or capable of being registered under the Designs Act. Moreover, the Proprietary Engineering Drawings pertain to the internal components of a cryogenic container and are excluded by the exception under Section 2 of the Designs Act, which states that a registrable design '***does not include any mode or principle of construction or anything which is in substance a mere mechanical device***'. Furthermore, these drawings lack visual appeal, a necessary criterion for a 'design' under the Designs Act. Accordingly, Section 15(2) of the Copyright Act is inapplicable, and the Proprietary Engineering Drawings cannot be deemed capable of registration under the Designs Act.

(c) The Literary Work in question is not subject to the bar under Section 15(2) of the Copyright Act. The Commercial Court erred in concluding that the Literary Work, including details, processes, and descriptions, is merely a reference to the Proprietary Engineering Drawings and the information contained therein. Such an interpretation incorrectly assumes that all the rights asserted in the plaint are intrinsically linked to the Proprietary Engineering Drawings. This approach is inconsistent with fundamental principles of copyright law,

which recognise that each category of copyright protection is distinct and must be assessed independently.

(d) The infringement arising from the theft of confidential information constitutes a distinct legal issue and is not subject to the limitations imposed by Section 15(2) of the Copyright Act. Courts have consistently recognised that confidential information is a separate legal concept possessing independent value, warranting protection under common law principles. Accordingly, the misappropriation of confidential information should be assessed on its own merits.

(e) The issues concerning the three IPs in question are distinct and separate, a fact that the Commercial Court failed to appreciate while allowing LNG Express' application under Order VII Rule 11 of the CPC. The Commercial Court proceeded under the erroneous assumption that an 'original artistic work' automatically loses protection under the Copyright Act once it is applied to an article through an industrial process. The Commercial Court further failed to consider the true meaning and scope of 'design' under the Designs Act. That apart, the claims concerning the infringement of the Literary Work and the theft of confidential information fall outside the purview of

Order VII Rule 11 of the CPC and could not have been summarily rejected.

(f) The determination of whether the original artistic work qualifies as a 'design capable of being registered' under the Designs Act cannot be made while deciding an application under Order VII Rule 11 of the CPC. At this stage, the jurisdiction of the court is limited to conducting a *prima facie* inquiry to ascertain whether or not the plaint discloses a cause of action. The issue at hand involves a mixed question of law and fact and thus requires a full trial wherein both parties can present evidence before a conclusive finding can be drawn.

(g) Inox, in its Suit, has also sought an injunction restraining Cryogas, LNG Express, and others from converting the two-dimensional Proprietary Engineering Drawings into three-dimensional objects. The Local Commissioner's Report dated 26.09.2018 provides substantive evidence in this regard, revealing that several files containing Inox's proprietary materials—including inspection reports, general test plans, shop weld plans, quality control programs, and drawing design calculations—were found at the premises of LNG Express and Cryogas. These documents pertain to the quality control

processes of Inox's proprietary materials and products, further substantiating the claim of unauthorised use.

D. ISSUES

7. Having perused the factual matrix and on consideration of the rival contentions advanced by the parties, it is patently clear that the singular issue which invites our analysis, revolves around the maintainability of the application under Order VII Rule 11 of the CPC. However, given the abstruse nature of the underlying dispute, stemming from a fundamental dissonance in the parties' interpretations of the applicability of the Designs Act, we deem it appropriate to adjudicate and analyse the following issues:

i. What are the parameters for determining whether a work or an article falls within the limitation set out in Section 15(2) of the Copyright Act, thereby classifying it as a 'design' under Section 2(d) of the Designs Act?

ii. Whether the High Court erred in setting aside the order of the Commercial Court and thus rejecting the application under Order VII Rule 11 of the CPC?

E. ANALYSIS

E.1 Issue No. 1: The parameters for determining whether a work or an article falls within the limitation set out in Section 15(2) of the Copyright Act

8. We may clarify at the very outset that the discussion herein would be limited to determining the distinction between a 'design' under the Designs Act and an 'artistic work' that might warrant copyright protection. To be precise, we are not, either expressly or implicitly, addressing the merits of the case. This examination has been prompted by the intrinsic disagreement posited by the parties in terms of the applicability of the Designs Act. Such a divergence in interpretation brings to light an interesting juxtaposition and perhaps a grey area which has not been seemingly addressed by this Court in the past. In this context, we find it appropriate to bridge this gap by conducting a conclusive analysis through a two-pronged approach: (***i***) examining the current IP statutory framework in India; and (***ii***) evaluating the criteria considered and tests adopted across various jurisdictions. Finally, based on these two aspects, we seek to set out (***iii***) the definitive factors to be considered to ascertain whether an article ought to be conferred protection under the Copyright Act or the Designs Act within the confines of Section 15(2) of the Copyright Act.

E.1.1. The current IP statutory framework

9. IP rights are fundamentally aimed at excluding or preventing others from possessing, using, or alienating the protected IP, thereby enabling the owner to benefit from the product of their intellect. In India, IP rights encompass a broad spectrum of intangible properties, including Patents, Trademarks, Copyrights, Designs, and Geographical Indications, each governed and protected by distinct Statutes. These legislations enable creators or inventors to earn recognition and receive financial benefits from their innovations in a manner which balances them with public interest. However, for the purposes of the present analysis, our examination will be confined to the intersection between the Copyright Act and the Designs Act.

10. In India, copyright is governed by the Copyright Act, 1957, which was enacted to safeguard the rights of copyright owners, including for commercial exploitation and to encourage the creation of innovative works. Copyright is a statutory and negative right, preventing unauthorised copying of copyrighted material. Under Section 14 of the Act, copyright owners are granted a bundle of exclusive rights, including the right to reproduce, issue copies, perform in public, and create translations and adaptations.

11. The term 'copyright' has been defined under Section 14 of the Copyright Act to mean "***the exclusive right subject to the provisions of the Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely…"*** It espouses the protection of works in terms of: (***i***) literary, dramatic or musical work, not being a computer programme; (***ii***) a computer programme; (***iii***) an artistic work; (***iv***) a cinematograph film; and (***v***) a sound recording. To put it in more clear terms, the language employed in the provision reads as follows:

> *"**14. Meaning of Copyright**—For the purposes of this Act, "copyright" means the exclusive right subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely:—*
> *(a) in the case of a literary, dramatic or musical work, not being a computer programme,—*
> *(i) to reproduce the work in any material form including the storing of it in any medium by electronic means;*
> *(ii) to issue copies of the work to the public not being copies already in circulation;*
> *(iii) to perform the work in public, or communicate it to the public;*
> *(iv) to make any cinematograph film or sound recording in respect of the work;*
> *(v) to make any translation of the work;*
> *(vi) to make any adaptation of the work;*
> *(vii) to do, in relation to a translation or an adaptation of the work, any of the acts specified in relation to the work in sub-clauses (i) to (vi);*
>
> *(b) in the case of a computer programme,—*
> *(i) to do any of the acts specified in Clause (a);*
> *(ii) to sell or give on commercial rental or offer for sale or for commercial rental any copy of the computer programme:*

Provided that such commercial rental does not apply in respect of computer programmes where the programme itself is not the essential object of the rental.

(c) in the case of an artistic work,—
(i) to reproduce the work in any material form including—
(A) the storing of it in any medium by electronic or other means; or
(B) depiction in three-dimensions of a two-dimensional work; or
(C) depiction in two-dimensions of a three-dimensional work;
(ii) to communicate the work to the public;
(iii) to issue copies of the work to the public not being copies already in circulation;
(iv) to include the work in any cinematograph film;
(v) to make any adaptation of the work;
(vi) to do in relation to adaptation of the work any of the acts specified in relation to the work in sub-clauses (i) to (iv);

(d) in the case of a cinematograph film,—
(i) to make a copy of the film, including— (A) a photograph of any image forming part thereof; or (B) storing of it in any medium by electronic or other means;
(ii) to sell or give on commercial rental or offer for sale or for such rental, any copy of the film;
(iii) to communicate the film to the public;

(e) in the case of a sound recording,—
(i) to make any other sound recording embodying it including storing of it in any medium by electronic or other means;
(ii) to sell or give on commercial rental or offer for sale or for such rental, any copy of the sound recording;
(iii) to communicate the sound recording to the public."

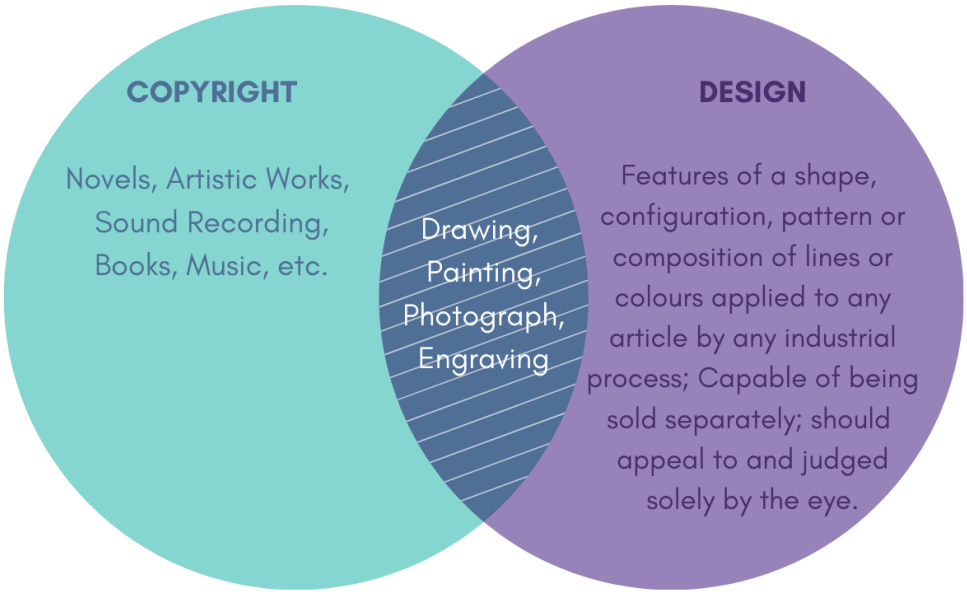
12. The enactment of the Designs Act in 2000, established a distinct protection regime for designs in India. The Designs Act seeks to minimise overlap with the Copyright Act by defining the term 'design' under Section 2(d) as "***only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or three dimensional or in both forms, by 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 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 (43 of 1958) or property mark as defined in section 479 of the Indian Penal Code (45 of 1860) or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957 (14 of 1957)." This aspect of IP thus focuses on the utility of work, as well as its visual appeal and aesthetic, making it an important factor in determining consumer preference or commercial viability.

13. It must be borne in mind that Section 2(d) of the Design Act, reproduced above, expressly bars the inclusion of 'artistic works' encapsulated under Section 2(c) of the Copyright Act. To further illuminate, the expression 'artistic work' has been defined in the Copyright Act which reads as follows:

> *"**2. Interpretation.**— In this Act, unless the context otherwise requires—*
> *....*
> *(c) "artistic work" means,—*
> *(i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality;*
> *(ii) a work of architecture; and*
> *(iii) any other work of artistic craftsmanship;"*

14. Despite the clear language employed in these provisions, a small vantage point of intersection exists wherein a 'design' shares commonalities with 'artistic works' such as paintings or drawings, that may be accorded copyright protection. This similitude is aptly illustrated in the Venn Diagram below. We may, however, hasten to caveat that this is only an illustrative image and is not exhaustive in nature.



15. This penumbra seems to have been synopsized and, to some extent, amplified in Section 15(2) of the Copyright Act. We say so, for the reason that the provision itself enumerates that "***copyright in any design, which is capable of being registered under the Designs Act, 2000 but which has not been so registered, shall cease as soon as any article to which the design has been applied***

has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his licence, by any other person."

16. We must also bear in mind that Section 15(1) of the Copyright Act explicitly states that a 'copyright' shall not subsist in a 'design' protected under the Designs Act. This provision thus establishes that once a 'design' is registered, any copyright protection ceases to exist. Whereas, as already recapitulated, Section 15(2) of the Copyright Act clarifies that any design which is capable of being registered under the Designs Act, if not registered, then the copyright protection in such design would terminate once that design is applied to any article and reproduced in excess of 50 times by an industrial process, either by the owner or a licensee.

17. The lines perhaps seem blurred owing to the inherent overlap between copyrightable artistic works and designs. To put it more simply, there may be some designs that could be entitled to copyright protection, and conversely, there can be certain artistic works which lose their copyright protection when industrially applied. This perplexity is further augmented on account of there being an express interdiction on designs from seeking any long-term copyright protection.

E.1.2. Parameters adopted across various jurisdictions

18. To resolve this legal conundrum, it is essential to establish clear parameters distinguishing works eligible for protection under the Designs Act versus the Copyright Act. In this vein, we turn to established jurisprudence and comparative legal frameworks, and have thus examined: (***i***) the approach adopted by Courts in India; (***ii***) the factors employed by courts in the United States of America (**US**); and (***iii***) broader international principles that provide guidance on the interplay between copyright and design protection.

19. By synthesising these perspectives, we aim to formulate a definitive test that will provide clarity on the scope of protection afforded under the respective Statutes.

E.1.2.1 Approach adopted by Courts in India

20. The test applied by various High Courts in India to resolve the intersection between the Copyright Act and the Designs Act can be categorised into two distinct approaches:

i. *Interpretation of Section 15(2) of the Copyright Act*: This involves pulling back the curtains on the overlaps or intersections between the two Statutes and ascertaining whether an article would qualify protection under the Copyright Act for being an

'original artistic work' or whether it would earn protection under the Designs Act.

ii. *Examination of the 'Functional Utility' of the Article*: This requires an assessment as to whether the article serves a functional purpose beyond mere artistic expression. If the primary characteristic of the work is its functional utility rather than aesthetic appeal, it would not qualify to seek protection under the Designs Act.

E.1.2.1.1 Interpreting Section 15(2) of the Copyright Act

21. It has already been explained in paragraphs 16 and 17 of this judgement, that a 'design' defined under Section 2(d) of the Designs Act cannot be afforded protection by the Copyright Act under the guise of it being an 'artistic work'. While there obviously seems to be a narrow intersection between 'artistic works' and 'designs', particularly in the case of paintings, sculptures or drawings, Section 15(2) attempts to obfuscate these overlaps and create a marked distinction so as to prevent any unintended disconcertment. The crux of the issue thus lies in correctly classifying an article as either a 'design' under the Designs Act or an 'artistic work' under the Copyright Act.

22. This interface between the two legislations was addressed extensively by the Delhi High Court in ***Microfibres Inc v. Girdhar***,[2] where the dispute concerned the copyright infringement in the manufacture and sale of certain patterns of upholstery fabric by the defendant therein. The plaintiff, an American company, claimed exclusive rights to the drawings applied on the fabric, stating that they had sought copyright registration for the same and sought damages from the defendant.

23. The Delhi High Court denied the plaintiff any protection under the Copyright Act. It based its decision on the following definitive factors: (***i***) the plaintiff's work is not a piece of art in itself in the form of a painting, despite there being labour and innovativeness applied to put a particular 'configuration' in place. This configuration comprises of motifs and designs, which by themselves are not original; (***ii***) The object of such an arrangement was to put them to industrial use and does not have any utility or independent existence of itself; (***iii***) Fabric designs on textile goods have been classified as proper subject matter of design protection by inclusion under Class 5 of the Design Rules, 2001; (***iv***) Legislative intent is also to be kept in mind, which is to protect the creator of the work for a certain period for commercial exploitation.

[2] 2006 SCC OnLine Del 60.

Protection under the Copyright Act is for the lifetime of the author and an additional period of sixty years, which is not so in the case of the Designs Act, where the period is much lesser; (***v***) 'Artistic work' defined under Section 2(c) of the Copyright Act has been excluded from the definition of 'design' under Section 2(d) of the Designs Act to exclude for instance, works such as the painting of M.F. Hussain; (***vi***) It is apparent that it is the Designs Act which would give protection to the plaintiff in this case and not the Copyright Act, as the work in question cannot be labelled as an 'artistic work'.

24. The Delhi High Court followed and affirmed the ratio in ***Microfibres I (supra)*** in subsequent judgements, such as in ***Dart Industries Inc and another v. Techno Plast and others***,[3] where the controversy concerned the plaintiffs, who were manufactures of 'Tupperware' products, alleging that the defendants had infringed their copyright and design rights by producing strikingly similar products. The High Court held that no copyright protection would subsist once a design had been registered under the Design Act. That was a case concerning product drawings meant to create the ultimate product design, for which the copyright claim in the said drawings was rejected.

[3] 2007 SCC OnLine Del 892.

25. The High Court in this context further enunciated as follows:

> *"**44.** No doubt, the plaintiff has tried to argue that for creating the same designs, the defendant would have applied the technique of 'reverse engineering' inasmuch as striking resemblance to the Tupperware Products could have been achieved by the defendants by circumventing the tedious and lengthy process used for manufacture of the Tupperware Products by using computer techniques possibly by 2D or 3D scanning. This is a matter which would require evidence. May be on the basis of evidence led ultimately plaintiff is successful in showing that there is a copyright in the product drawings and the defendants have copied the said drawings thereby violating the copyright rights in creating their own products striking similar to the Tupperware Products.* ***However, prima facie, it seems that once the drawings are made for creating the ultimate product design, the copyright in the said drawings cannot be claimed under the Copyright Act. May be this is the reason that Section 15 of the Copyright Act provides that once a design is registered under the Designs Act, copyright therein shall not subsist. Such a copyright in any design ceases even when 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 copyright. The underlying message is that copyright in an industrial design is governed by the Designs Act, 2000. If a design is registered under that Act it is not legible for protection under the Copyright Act.*** *In such cases after the design is registered under the Designs Act, the protection given is not copyright protection but a true monopoly based on statute inasmuch as such designs were never protected by the common law.* ***Exception may be in those cases where copyright had come into existence in respect of artistic drawings and subsequently those drawings were used as models or patterns to be multiplied by any industrial process.*** *There, if the drawings became capable of registration as a design it would not result in copyright being fortified [See Warner Brothers v. Roadrunner, 1988 FSR 292]. However, if the intended industrial use of the work was contemporaneous with its coming into existence, Section 15 of the Copyright Act would apply. I may hasten to clarify that it is not suggested that if any design is registered, copyright under no circumstance exist in the drawings. Section 15 lays down that on registration of a design under the Designs Act, the copyright shall not subsist in that design and not in the drawings. Therefore, it is possible that when the moulded plastic article of novel shape is made from a working drawing, as in the*

instant case, the drawing may qualify as an original work entitled to copyright protection and, at the same time, a registered design for the shape of the article would be protected under the Designs Act. If an unauthorised copy is made of the article, it may constitute an indirect copy of the drawing and therefore may infringe the copyright."

[Emphasis supplied]

26. Similarly, in ***Mattel, Inc v. Jayant Agarwalla***,[4] the plaintiff Mattel alleged that the defendant had infringed their copyright by copying the design of their board game and creating an electronic game called 'Scrabulous'. Mattel further argued that all versions of their game, since 1932, qualified as 'artistic works' under Section 2(c) of the Copyright Act and were protected in India under the International Copyright Order, 1991. On the contrary, the defendant contended that Mattel's game board, being a three-dimensional article, could not be protected under the Copyright Act and ought to have been registered as a design under the Designs Act. A Learned Single Judge of the High Court, having duly considered the competing claims and relying on ***Microfibres I (supra)***, declined *ad interim* injunction to the plaintiff on the basis that its board game had been reproduced more than fifty times, along with its alphabetical tile pieces, without any registration having taken place under the Designs Act.

[4] 2008 SCC Online Del 1059.

27. Meanwhile, ***Microfibres I (supra)***, which was being relied on in several such decisions, was appealed before a Division Bench of the Delhi High Court *vide* ***Microfibres Inc v. Girdhar and Co***,[5] contending that the subject works qualified as original 'artistic works' within Section 2(c) of the Copyright Act and that no artificial distinction between works which are pure artistic works and those which are not could be drawn. In particular, the appellant questioned the finding of the Single Judge that the artistic work in question did not have the ability to stand by itself as a piece of art and had no independent existence.

28. The Division Bench of the High Court, having considered these contentions, dismissed the appeal and summarised its conclusions as follows:

> *"**46.** We thus summarise our findings as follows:—*
>
> ***a.** The definition of 'artistic work' has a very wide connotation as it is not circumscribed by any limitation of the work possessing any artistic quality. Even an abstract work, such as a few lines or curves arbitrarily drawn would qualify as an artistic work. It may be two-dimensional or three-dimensional. The artistic work may or may not have visual appeal.*
> ***b.** The rights to which a holder of an original artistic work is entitled are enumerated in Section 14(c) of the Copyright Act.*
> ***c. It is the exclusive right of the holder of a Copyright in an original artistic work to reproduce the work in any material form. For example, a drawing of an imaginary futuristic automobile, which is an original artistic work, may be reproduced in three-dimensional material form using an element, such as a metal sheet.***

[5] 2009 SCC OnLine Del 1647.

d. The design protection in case of registered works under the Designs Act cannot be extended to include the copyright protection to the works which were industrially produced.

e. *A perusal of the Copyright Act and the Designs Act and indeed the Preamble and the Statement of Objects and Reasons of the Designs Act makes it clear that the* ***legislative intent was to grant a higher protection to pure original artistic works such as paintings, sculptures etc and lesser protection to design activity which is commercial in nature. The legislative intent is, thus, clear that the protection accorded to a work which is commercial in nature is lesser than and not to be equated with the protection granted to a work of pure art.***

f. The original paintings/artistic works which may be used to industrially produce the designed article would continue to fall within the meaning of the artistic work defined under Section 2(c) of the Copyright Act, 1957 and would be entitled to the full period of copyright protection as evident from the definition of the design under Section 2(d) of the Designs Act. However, the intention of producing the artistic work is not relevant.

g. *This is precisely why the Legislature not only limited the protection by mandating that the copyright shall cease under the Copyright Act in a registered design but in addition,* ***also deprived copyright protection to designs capable of being registered under the Designs Act, but not so registered, as soon as the concerned design had been applied more than 50 times by industrial process by the owner of the copyright or his licensee.***

h. *In the original work of art, copyright would exist and the author/holder would continue enjoying the longer protection granted under the Copyright Act in respect of the original artistic work per se.*

i. If the design is registered under the Designs Act, the Design would lose its copyright protection under the Copyright Act. If it is a design registrable under the Designs Act but has not so been registered, the Design would continue to enjoy copyright protection under the Act so long as the threshold limit of its application on an article by an industrial process for more than 50 times is reached. *But once that limit is crossed, it would lose its copyright protection under the Copyright Act. This interpretation would harmonise the Copyright and the Designs Act in accordance with the legislative intent.*

47. Thus, we find no merit in this appeal and the same is dismissed but with no order as to costs."

[Emphasis supplied]

29. The Delhi High Court's view in ***Microfibres II (supra)*** has found favour with other High Courts, also, such as the Bombay High Court in ***Pranda Jewelry Pvt. Ltd. v. Aarya 24 KT***,[6] and the Kerala High Court in ***Fun World and Resorts (India) Pvt. Ltd. v. Nimil KK***.[7]

E.1.2.1.2 The aspect of Functional Utility

30. In order to fully appreciate the scope of 'functional utility', it is imperative first to have a complete grasp on the objects and purpose of the Designs Act. In this regard, we may usefully refer to a decision of this Court in ***Bharat Glass Tube Ltd. v. Gopal Glass Works Ltd.***, which laid down as follows:[8]

> *"**26. In fact, the sole purpose of this Act is protection of the intellectual property right of the original design for a period of ten years or whatever further period extendable. The object behind this enactment is to benefit the person for his research and labour put in by him to evolve the new and original design.** This is the sole aim of enacting this Act. It has also laid down that if design is not new or original or published previously then such design should not be registered. It further lays down that if it has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration then such design will not be registered or if it is found that it is not significantly distinguishable from known designs or combination of known designs, then such designs shall not be registered. It also provides that registration can be cancelled under Section 19 of the Act if proper application is filed before the competent authority i.e. the Controller that the design has been previously registered in India or published in India or in*

[6] 2015 SCC OnLine Bom 958.
[7] 2020 SCC OnLine Ker 219.
[8] (2008) 10 SCC 657.

any other country prior to the date of registration, or that the design is not a new or original design or that the design is not registerable under this Act or that it is not a design as defined in Clause (d) of Section 2. The Controller after hearing both the parties if satisfied that the design is not new or original or that it has already been registered or if it is not registerable, cancel such registration and aggrieved against that order, appeal shall lie to the High Court. These prohibitions have been engrafted so as to protect the original person who has designed a new one by virtue of his own efforts by researching for a long time. ***The new and original design when registered is for a period of ten years. Such original design which is new and which has not been available in the country or has not been previously registered or has not been published in India or in any other country prior to the date of registration shall be protected for a period of ten years. therefore, it is in the nature of protection of the intellectual property right. This was the purpose as is evident from the statement of objects and reasons and from various provisions of the Act.*** *In this background, we have to examine whether the design which was registered on the application filed by the respondent herein can be cancelled or not on the basis of the application filed by the appellant…"*

[Emphasis supplied]

31. This Court further acknowledged that the term 'design' had been extensively interpreted by English Courts, considering that the expression was *pari materia* with the definition consecrated in the Indian context. This alignment is particularly relevant as English jurisprudence has long employed the 'functional utility' test to ascertain whether a work would be entitled to protection under English law, especially under the English Registered Designs Act, 1949—a test subsequently adopted by some of the High Courts in India.

32. The question of 'functional utility' in the context of design was first addressed by the House of Lords in ***Amp v. Utilux***, wherein the dispute between the parties involved the infringement of designs relating to a single electrical terminal and to a number of terminals joined together in line.[9] The controversy therein pertained to whether the features or the shape of the terminals were solely dictated by function or if they appealed to the eye. Lord Reid (for himself and Lord Donovan) opined that:

> ***"There must be a blend of industrial efficiency with visual appeal. If the shape is not there to appeal to the eye but solely to make the article work then this provision excludes it from the statutory protection***.
>
> *I would add to avoid misunderstanding that no doubt in the great majority of cases which the Act will protect the designer had visual appeal in mind when composing his design.* ***But it could well be that a designer who only thought of practical efficiency in fact has produced a design which does appeal to the eye. He would not be denied protection because that was not his object when he composed the design."***
>
> [Emphasis supplied]

33. This decision was the first to draw a distinction in designs between 'features' and 'shapes' that were construed to be 'aesthetically appealing' to the eye of the consumer, in comparison to features that existed merely for 'purely functional purposes'. This demarcation based upon functional utility was further relied upon by the Judicial Committee of the Privy Council while interpreting the English Registered Designs Act, 1949, in ***Interlego A.G v. Tyco***

[9] [1972] RPC 103.

Industries Inc and others.[10] This line of distinction on the basis of features being eye-appealing or merely due to functional utility, as developed by English courts, has been subsequently employed by some of the High courts in India.

34. The Delhi High Court first addressed the issue of functional utility in ***Smithkline Beecham Plc. v. Hindustan Lever Ltd***,[11] where the plaintiff sought a declaration of ownership over toothbrush designs to prevent the defendants from infringing upon them. The Single Judge examined whether the 'S'-shaped design of the toothbrush was primarily functional or aesthetic. Applying the functional utility test, the court determined that while the design offered some aesthetic appeal to consumers, its primary purpose was functional. As a result, the High Court ruled in favour of the defendant and denied design protection to the plaintiff.

35. The Madras High Court thereafter applied the functional utility test in ***Tractors and Farm Equipment Ltd. v. Standard Combines Pvt. Ltd.***,[12] following the precedent set in ***Smithkline (supra)***. The case involved allegations of infringement and passing off relating to certain tractor models, parts, and fittings. In reviewing whether the Trial Court was correct in rejecting the plaint, the High Court held

[10] [1988] UKPC 3.
[11] 1999 SCC OnLine Del 965.
[12] 2012 SCC OnLine Mad 5470.

that serious questions remained regarding whether the specific parts or shapes were functional or aesthetic. Additionally, it needed to be determined whether the original drawings warranted protection under the Designs Act or the Copyright Act. Consequently, the Madras High Court ruled that the plaint could not be rejected at the threshold. This decision by the Single Judge thereafter came to be reaffirmed by a Division Bench of the Madras High Court in 2014.[13]

36. The ***Smithkline (supra)*** decision itself was reaffirmed by a Full Bench of the Delhi High Court in ***Mohan Lal v. Sona Paint and Hardwares***.[14] This case involved a dispute over the infringement of novel and distinguishable mirror frames and addressed the broader legal question of whether a passing off action could be combined with a claim under the Designs Act, although not relevant to the present discussion.

37. The Bombay High Court also commented on the standard of the functional utility test in ***Whirlpool of India Ltd. v. Videocon Industries Ltd.***,[15] wherein it has put forth that the '*conundrum of functionality may be resolved by taking note of the fact that it would*

[13] Standard Corporation India Ltd. v. Tractors and Farm Equipment Ltd, 2014 SCC OnLine Mad 850.
[14] 2013 SCC OnLine Del 1980.
[15] 2014 SCC OnLine Bom 565.

make no impact on the article's functionality, if the function could be performed by the use of another shape as well'.

38. Interestingly, the Bombay High Court, in ***Photoquip India Ltd. v. Delhi Photo Store***,[16] appears to have adopted a conjunctive approach by interpreting Section 15(2) of the Copyright Act alongside the test of functional utility. While adjudicating the plaintiff's claim for an injunction to restrain the defendant from infringing its copyright in artistic works, a Learned Single Judge succinctly held that:

> *"**29. What is that to which Section 15(2) refers? It speaks only of a 'design', and not an 'artistic work'. It has no application to the latter, but only to the former. Section 2(d) of the Designs Act makes this plain, for it excludes from the definition of design all 'artistic works'**. Therefore, the Defendants' argument must necessarily be that the Plaintiff's drawings are not artistic works at all, but are designs. Following the Interlego decision, Mrs. Justice Dalvi held in Indiana Gratings that to be registrable under the Designs Act (even if not actually registered), the shape or configuration of the whole article is to be considered, for it is this of which a commercial monopoly is sought. **The design and the article must, of necessity, be taken as a whole. If there is a part of it that is functional, that stands excluded from the definition of a design. The exclusionary intent extends only to that which has no appeal but describes or portrays purely functional features. If it does, it is not a 'design'. It may then enjoy copyright as an 'artistic work'.** This inclusion under the Copyright Act is not to be confused, as regrettably Mr. Grover does, with the question of 'visual appeal' for the purposes of the Designs Act. As in Indiana Gratings, the present Plaintiff's drawings are skilled diagrams that do not reflect any finished products, let alone a finished product of any 'visual' or aesthetic appeal. They only serve a functional purpose. They are not, therefore, designs."*
>
> [Emphasis supplied]

[16] 2014 SCC OnLine Bom 1088.

39. No decision of any other High Court or this Court expressing a discordant view has been cited before us. We thus safely proceed on the premise that the test of functional utility is integral to determining whether an article or work qualifies for protection under the Designs Act and its continued relevance, as recently held by the Delhi High Court in ***TTK Prestige Ltd. v. KCM Appliances Pvt. Ltd***.[17]

E.1.2.2 Factors employed by courts in the US

40. The analysis of 'functional utility' for determining eligibility for design protection closely parallels the 'conceptual separability' standard established by American Courts. Under this standard, courts assess whether the artistic aspect of an article can be distinguished from its utilitarian or functional component. This approach aligns with the tests applied by Indian High Courts, which exclude functional or utilitarian subject matter from protection under the Designs Act.

41. While American jurisprudence does not treat the distinction between artistic works and designs in the same manner as Indian law, there are notable similarities in the parameters used to separate the functional aspects of a work from its artistic or aesthetic features and thus conclusively determine whether a work

[17] 2023 SCC OnLine Del 2129.

is entitled statutory protection. One of the first such cases employing an approach of separating artistic expression from a utilitarian article was ***Mazer v. Stein***.[18] The US Supreme Court in that dispute examined the validity of copyrights granted to the respondents for statuettes of male and female dancing figures made of semivitreous china. The Court ruled that while the copyright owners could not prevent others from using statuettes of human figures in table lamps, they could prohibit direct copying of their specific copyrighted statuettes.

42. Though the court in ***Mazer (supra)*** did not explicitly use the term 'conceptual separability', but that was seemingly the foundation to bifurcate an artistic expression from a utilitarian article. In fact, the position of law developed in ***Mazer (supra)*** was subsequently incorporated by the US Congress in the Copyright Act, 1976, which postulated that:

> *"Pictorial, graphic, and sculptural works" include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans.* ***Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned****; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article."*

[18] Mazer v. Stein, 347 U.S. 201, 74 S. Ct. 460, 98 L. Ed. 630 (1954).

> *"**A "useful article" is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.** An article that is normally a part of a useful article is considered a "useful article"."*
>
> [Emphasis supplied]

43. With the insertion of the notion of 'conceptual separability' into the statutory framework, a phase of continuous evolution was undergone to define the scope and extent of this concept. For instance, in ***Esquire Inc v. Ringer***,[19] the Court of Appeals for the District of Columbia Circuit assessed the House Report of the 1976 Act and enumerated that '*the overall design or configuration of a utilitarian object, even if it is determined by aesthetic as well as functional considerations, is not eligible for copyright*'.

44. Thereafter, while adjudicating ***Kieselstein-Cord v. Accessories by Peral Inc***,[20] the Court of Appeals for the Second Circuit qualified that the test of 'conceptual separability' is not a brightline rule but involves a degree of subjectivity. It introduced a primary-subsidiary approach, surmising that the test of 'conceptual separability' would be satisfied if the artistic features of a design are 'primary' to its subsidiary utilitarian function. However, in ***Carol Barnhart Inc. v. Economy Cover Corp***, the Second Circuit further held that

[19] Esquire, Inc. v. Ringer, 591 F.2d 796 (D.C. Cir. 1978).
[20] Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989 (2d Cir. 1980).

'conceptual separability' would be met if the artistic features of the design were not essential to the article's utilitarian function.[21]

45. During this time, Circuit Courts relied on the works of scholars and academicians to conclusively put forth that considering the dominant characteristic of industrial design is the non-aesthetic and utilitarian concerns, copyrightability ultimately should depend on the extent to which the work reflects artistic expression uninhibited by functional considerations.[22] It was also laid down that a direct assessment needs to be conducted in this regard to exclude the general realm of industrial design while preserving the exclusive rights in 'applied art'.

46. Having said that, the Fifth Circuit sought to adopt a unique approach and followed the 'Likelihood of Marketability Approach' wherein conceptual separability would exist if there is a substantial likelihood that even if the article had no utilitarian use, it would still be marketable to some significant segment of the community merely owing to its aesthetic qualities.[23] It thus seems that there was a time when multiple tests were applied by American Courts to determine the copyrightability of useful articles.

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[21] Carol Barnhart Inc. v. Economy Cover Corp., 773 F.2d 411 (2d Cir.1985).
[22] Brandir International, Inc. v. Cascade Pacific Lumber Co., 834 F.2d 1142 (2d Cir.1987); Pivot Point Int'l, Inc. v. Charlene Prods., Inc., 372 F.3d 913 (7th Cir. 2004).
[23] Galiano v. Harrah's Operating Co., 416 F.3d 411, 419 (5th Cir. 2005).

47. The US Supreme Court, resolved these inconsistencies finally in 2017, *vide* ***Star Athletica LLC v. Varsity Brands Inc***,[24] by establishing a clear test for the protection of features incorporated into the design of a useful article. It held that to be eligible for copyright protection, the feature would have to: (***i***) be perceived as a two or three-dimensional work of art separate from the useful article; and (***ii***) it would qualify as a protectable pictorial, graphic or sculptural work, either on its own or fixed in some other tangible medium or expression, if it were imagined separately from the useful article into which it is incorporated. In laying down these parameters, ***Star Athletica (supra)*** also abandoned the distinction created between 'physical' and 'conceptual separability', which had been adopted by some courts based on the copyright framework's legislative history. The US Supreme Court thus axiomatically reconciled the various inconsistencies in interpretation and established a uniform standard for analysing 'conceptual separability'.

E.1.2.3 Broader International Principles

48. In our effort to definitively address the overlap between 'design' and 'artistic works', we have already explored their treatment by the courts in India, as well as in the US. As an apotheosis to this

[24] Star Athletica, L. L. C. v. Varsity Brands, Inc., 137 S. Ct. 1002, 197 L. Ed. 2d 354 (2017).

sojourn, we also deem it essential to explore broader international principles and frameworks that regulate these aspects.

49. Public international law has played a crucial role in setting and enforcing minimum standards for IP rights among States. The earliest multilateral agreement in this regard was the Paris Convention for the Protection of Industrial Property, 1883 (**Paris Convention**).[25] However, while Article 5quinquies of the Paris Convention requires Members to establish a standard of protection for industrial designs, it does not explicitly provide any guidance in terms of harmonizing design protection with the copyright regime.

50. Subsequently, the Berne Convention for the Protection of Literary and Artistic Works, 1886 (**Berne Convention**), was established to set legal principles for the protection of 'literary and artistic works'; across multiple jurisdictions.[26] While industrial designs are mentioned within this broad classification, the Berne Convention primarily allows States to develop *sui generis* protection for such designs through their domestic laws. Notably, it does not elaborate

[25] Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14 1967.

[26] Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886, completed at Paris on May 4, 1896, revised at Berlin on November 13, 1908, completed at Berne on March 20, 1914, revised at Rome on June 2, 1928, revised at Brussels on June 26, 1948, and revised at Stockholm on July 14, 1967 (with Protocol regarding developing countries).

on the overlap between design protection and copyright, leaving the matter largely to municipal legislation.

51. The most major development in the realm of multilateral treaties on IP rights, however, came with the adoption of the Agreement on Trade Related Aspects of Intellectual Property Rights, 1995 (**TRIPS**).[27] In comparison to the Paris Convention or the Berne Convention, TRIPS discusses 'industrial designs' in a far more comprehensive manner. Articles 25 and 26 of the TRIPS recognise that Members may employ the test of 'functional utility' to exclude designs that are built on technical or fundamental consideration and require a minimum protection duration of 10 years, a provision which is also reflected in the Designs Act in India.

52. The relevant provisions of TRIPS have been highlighted as follows:

> *"**Article 25 – Requirements for Protection**:*
> *1. Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. **Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations**.*
> *2. Each Member shall ensure that requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection. **Members shall be free to meet this obligation through industrial design law or through copyright law**.*

[27] TRIPS, 1869 U.N.T.S. 299 33 I.L.M. 1197.

> ***Article 26 – Protection****:*
> *1. The owner of a protected industrial design shall have the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.*
> *2.* ***Members may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties****.*
> *3.* ***The duration of protection available shall amount to at least 10 years****."*
>
> [Emphasis supplied]

53. In summation, while international treaties such as the Paris Convention, the Berne Convention, and TRIPS have played a pivotal role in shaping IP protections, they do not pointedly address a unified framework for resolving the overlap between 'design' and 'copyright' protection. Instead, they allow individual jurisdictions to formulate their own approaches. TRIPS, in particular, acknowledges the role of 'functional utility' in distinguishing protectable designs, thereby reinforcing the necessity of a nuanced approach at the domestic level. Consequently, the harmonisation of design and copyright protection remains largely a matter of national legislative policy.

E.1.3. The final piece of the puzzle – the approach to be adopted

54. Having traversed the stratagem adopted across various jurisdictions and the key considerations that influence them, we

see light at the end of the tunnel and deem it pertinent to outline our own definitive parameters that align with our existing IP right framework.

55. The expression 'artistic work' under Section 2(c) of the Copyright Act has a very wide connotation and may also include abstract work(s) comprising a few lines or curves arbitrarily drawn, which could be either two or three-dimensional. It may be clarified that such a work may or may not have any visual appeal. Further, the holder of such an artistic work is entitled to draw protection under Section 14(c) of the Copyright Act, including the exclusive right to reproduce such work in any material form. Such a reproduction may also involve depicting a three-dimension work of a two-dimensional work or *vice versa*.

56. However, if such reproduction is done by employing an industrial process, which may be manual, mechanical or chemical, and which results in a finished article that may appeal to the eye, then 'the features of shape, configuration, pattern, ornament or composition of lines or colours applied to the article by such an industrial process', constitutes 'design' within the meaning of Section 2(d) of the Designs Act.

57. It thus seems that the intent of producing an original artistic work is not determinative of its protection under the Copyright or

Designs Regime. Rather, the legislative intent is to harmonise the two Statutes so that while an 'artistic work' qualifies for copyright protection, its commercial or industrial application—i.e., the 'design' derived from the original work for industrial production—is subject to the limitations set out in Section 15(2) of the Copyright Act. Such a design gets protected only if it is registered under the Designs Act.

58. To further simplify, the original artistic work, which initially enjoys copyright protection, does not lose the same merely because a 'design' derived from it has been industrially applied to create a product. While the expression 'artistic work' has a broad spectrum, 'design' is restricted to specific features such as shape, configuration, pattern, ornamentation, or composition of lines or colours, applied to an article through an industrial process, resulting in a finished product that appeals to the eye. These visually appealing features, when applied industrially, define a 'design' under the Designs Act.

59. Our analysis further reveals that the inquiry cannot be concluded merely by assuming that what does not qualify as an 'artistic work', within the meaning of the Copyright Act, would automatically receive protection under the Designs Act. While protection under the Designs Act is not as enduring as that under the Copyright Act,

it is not granted by default and requires specific criteria to be met. In this regard, courts in India and globally consistently apply the test of 'functional utility' to determine whether a work qualifies for protection under the Designs Act.

60. It would therefore be appropriate to espouse the approach already undertaken by the courts in India, as it not only emulates the best practices employed by US courts and the principles enshrined in International Conventions but it also gives due consideration to contemporaneous laws and legislations. We have thus formulated a two-pronged approach in order to crack open the conundrum caused by Section 15(2) of the Copyright Act so as to ascertain whether a work is qualified to be protected by the Designs Act. This test shall consider: (***i***) whether the work in question is purely an 'artistic work' entitled to protection under the Copyright Act or whether it is a 'design' derived from such original artistic work and subjected to an industrial process based upon the language in Section 15(2) of the Copyright Act; (***ii***) if such a work does not qualify for copyright protection, then the test of 'functional utility' will have to be applied so as to determine its dominant purpose, and then ascertain whether it would qualify for design protection under the Design Act.

61. The courts, while applying this test, ought to undertake a case-specific inquiry guided by statutory provisions, judicial precedents, and comparative jurisprudence. It must be kept in mind that the overarching objective is to ensure that rights granted under either regime serve their intended purpose without unduly encroaching upon the domain of the other. With this approach, we have attempted to clarify the treatment of works at the intersection of 'copyright' and 'design' law(s), thereby ensuring coherence and consistency in the application of IP rights in India.

62. We hasten to add that this Court has undertaken the task of clarifying the perceived complexities arising from Section 15(2) of the Copyright Act. In this context, we appreciate the efforts of High Courts across the country in adopting best practices that align with our socio-legal framework. Our analysis and examination have hopefully resolved this legal issue to prevent any further ambiguity in the future.

E.2 Issue No. 2: The High Court's rejection of the application under Order VII Rule 11 of the CPC

63. Adverting to the case at hand, the primary contention between the parties lies in whether or not the High Court erred in setting aside the Commercial Court's order, whereby it allowed the application preferred by LNG Express under Order VII Rule 11 of the CPC.

64. The Commercial Court allowed LNG Express's application on the ground that the 'Proprietary Engineering Drawings' qualified as a 'design' under Section 2(d) of the Designs Act, and therefore, no suit for copyright infringement could be maintained in favour of Inox.

65. However, the High Court, having disagreed with the finding of the Commercial Court, initially remanded the matter for reconsideration. When the Commercial Court reiterated its earlier conclusion, the High Court again intervened and rejected LNG Express's application, with a direction to the Commercial Court to consider Inox's plea for an interim injunction under Order XXXIX Rules 1 and 2 of the CPC.

66. This prolonged oscillation between the High Court and the Commercial Court has brought the parties before us. On a deeper analysis of the Impugned Judgement, we find that the High Court has substantiated its conclusions with the following broad reasons:

(a) Section 15(1) of the Copyright Act applies when a design is registered under the Designs Act, thereby implicitly barring any claim for copyright protection. However, Section 15(2) of the Copyright Act requires an inquiry to determine whether the drawing in question falls within the scope of the Designs Act. This necessary inquiry implies that a suit cannot be dismissed

outrightly under Clause (d) of Order VII Rule 11 of the CPC solely based on a reading of the averments in the plaint.

(b) The core dispute revolves around whether the 'Proprietary Engineering Drawings' qualify as drawings under Section 2(c) of the Copyright Act or whether they fall within the definition of a 'design' under Section 2(d) of the Designs Act, necessitating a detailed examination.

(c) The Division Bench of the Delhi High Court in ***Microfibres II (supra)***, has laid down that the term 'artistic work' has a broad scope and may exist independently or as a precursor to a design. Additionally, a design derived from an artistic work may enjoy copyright protection, which ceases once it is industrially applied beyond the threshold set in Section 15(2) of the Copyright Act. Given these intricate distinctions, a more detailed analysis is warranted, and such determinations cannot be made at the very threshold.

(d) Even if the drawing in question is not classified as an original artistic work, it does not automatically qualify for protection under the Designs Act. In such cases, it must be assessed whether the dominant aspect of the design is functional or whether the design is registrable under the Designs Act, meaning that when applied to an article through an industrial

process, the finished product must possess aesthetic appeal rather than being purely functional.

(e) Section 15(2) of the Copyright Act serves as a limitation on the protection granted to artistic works under the Act. Allowing Inox's claim may result in a cascading effect, potentially allowing every tracing or drawing to receive copyright protection while simultaneously being industrially or commercially exploited through its application to an article. Such an outcome would likely contravene the intent of the Legislature.

(f) Ultimately, the determination of whether the 'Proprietary Engineering Drawings' of the inner vessel, which is admittedly an 'original artistic work' under Section 2(c) of the Copyright Act, continues to enjoy copyright protection or whether such protection is curtailed by Section 15(2) of the Copyright Act due to their industrial application, is a significant mixed question of law and fact.

(g) Order VII Rule 11(a) of the CPC empowers a court to reject a plaint if the plaintiff fails to disclose a cause of action. In determining this, the court is not required to delve into complex legal questions but must simply assess whether the allegations, if taken as true, establish a cause of action without

evaluating the likelihood of success. Since the plaintiff explicitly sought copyright protection over the 'Proprietary Engineering Drawings'; the literary work associated with the internal parts of Cryogenic trailers; and the know-how for their manufacture or assembly, the rejection of the plaint was unwarranted.

(h) When determining whether a plaint discloses a cause of action, the court is not required to conduct an elaborate inquiry into complex legal or factual issues. The court's role is limited to assessing whether any of the allegations indicate a cause of action. As long as the claim presents some cause of action or raises questions appropriate for judicial determination, the fact that the case may be weak or unlikely to succeed is not a valid reason for striking it out. For rejecting a plaint, it is unnecessary to evaluate whether the averments substantiate the ownership claim made by the defendant. Likewise, if the defendant raises a legal issue in the written statement, it cannot be adjudicated through an application under Order VII Rule 11 of the CPC, as doing so would amount to pre-judging the matter.

(i) In any event, the Suit encompasses additional claims relating to 'literary work,' confidential information, and know-how,

which cannot be rejected in part. Even if the claim for copyright infringement is deemed untenable, the Suit would still be maintainable with respect to the other rights asserted. As a result, the entire Suit must proceed to trial, since a plaint cannot be partially rejected.

67. We are in complete agreement with the reasoning of the High Court that the question as to whether the original artistic work would fall within the meaning of 'design' under the Designs Act cannot be answered while deciding an application under Order VII Rule 11 of the CPC. This stage would involve only a *prima facie* inquiry as to the disclosure of cause of action in the plaint. The question pertaining to ascertaining the true nature of the 'Proprietary Engineering Drawings' involves a mixed question of law and fact and could not have been decided by the Commercial Court at a preliminary stage based upon such a casual appraisal of the plaint averments.

68. We therefore concur with the High Court that this case warrants a trial given the triable issues involved. The plaintiff before the Commercial Court, i.e., Inox, was erroneously non-suited due to incorrect assumptions made by the Commercial Court which misread the plaint, misapplied legal principles and overlooked the distinction between 'artistic work' and 'design.'

69. In light of our discussion on relevant precedents and legal positions, and the clear test we have outlined, we direct the Commercial Court to consider the issue afresh and conduct trial by adopting an Occam's Razor approach to ascertain the true nature of the 'Proprietary Engineering Drawings'. Additionally, the Commercial Court would also need to independently assess the claims related to infringement of the Literary Works, confidential information, know-how etc. so as to resolve the matter comprehensively.

F. CONCLUSION AND DIRECTIONS

70. Having thus examined the vagaries of IP law and the intrinsic synergy that exists between two independent legislations, namely the Designs Act and the Copyright Act, we dismiss the instant appeals with the following conclusions and directions:

i. The decision of the High Court rejecting the application under Order VII Rule 11 of the CPC is upheld;

ii. The Commercial Court is directed to deliver its decision on the pending application seeking interim injunction preferred by Inox, within a period of two months;

iii. The Commercial Court is further directed to conduct trial and discern the true nature of the Proprietary Engineering

Drawings based upon the test laid down in paragraph 60 of this judgement, as also the other related IP right infringements claimed by Inox, within a period of one year, given that it has already wasted significant judicial time on this issue.

71. Ordered accordingly. Pending applications, if any, also stand disposed of in the above terms.

.....J.
(SURYA KANT)

.....J.
(NONGMEIKAPAM KOTISWAR SINGH)

NEW DELHI;
DATED: 15.04.2025