

IN THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on: 27.10.2022

+ **FAO(OS) (COMM) 145/2019 & CM No.29330/2019**

RELAXO FOOTWEARS LTD Appellant

versus

AQUALITE INDIA LTD & ANR. Respondents

Advocates who appeared in this case:

For the Appellant : Mr. Praveen Anand with Mr. Saif Khan, Mr. Shobhit Agrawal & Mr. Shashank Goswami, Advs.

For the Respondents : Mr. Peeyoosh Kalra with Mr. C.A. Brijesh, Mr. Dhruv Grover & Mr. Krishna Gambbhir, Advs.

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HON'BLE MR JUSTICE VIBHU BAKHRU

HON'BLE MR JUSTICE AMIT MAHAJAN

JUDGMENT

VIBHU BAKHRU, J

1. Relaxo Footwears Limited (hereafter '**Relaxo**') has filed the present appeal impugning a judgment dated 06.05.2019 (hereafter '**the impugned judgment**'), passed by the learned Single Judge, whereby Relaxo's application for an interim injunction under Order XXXIX Rules 1 & 2 of the Code of Civil Procedure, 1908 (hereafter '**the CPC**') was dismissed and the application filed by Aqualite India Limited and

Aqualite Rubber and Plastics Private Limited (hereafter collectively referred to as ‘**Aqualite**’) under Order XXXIX Rule 4 of the CPC, seeking vacation of the *ex parte ad interim* injunction dated 14.12.2018, was allowed.

Factual Context

2. Relaxo is engaged in the manufacturing and selling of various kinds of footwear and claims that it commenced its business in the year 1976. On 21.06.2017, Relaxo was granted registration of its design relating to footwear (slippers) under The Designs Act, 2000 (hereafter ‘**the Designs Act**’) being the design registration bearing no. 294938 (hereafter ‘**Subject Design**’). Relaxo claims that the aforementioned design is novel and unique in particular in respect of the surface pattern, cuts, ridges, curves, graphics.

3. Relaxo claims that the Subject Design was originally created with its in-house design team along with a design agency based in the United Kingdom known, as ‘The Footsoldiers’. In the year 2018, Relaxo discovered that Aqualite was manufacturing and selling the products, which it claims infringed the Subject Design. In the month of December 2018, Relaxo filed a suit being [no. CS(COMM) No. 1288/2018] before this Court. Relaxo claimed urgent interim relief in the suit (interlocutory application no. 17103/2018) and by an order dated 14.12.2018, the learned Single Judge passed an *ad interim* order, *inter alia* restraining Aqualite from infringing the Subject Design. Aqualite preferred an appeal being [no. FAS(OS)(COMM) 21/2019] impugning the order

dated 14.12.2018. The said appeal was disposed of with liberty given to Aqualite, to file an application under Order XXXIX Rule 4 of the CPC.

4. Aqualite filed an application under Order XXXIX Rule 4 of the CPC [being IA no. 1419/2019] which was listed on 30.01.2019. The impugned judgement indicates that on the said date, the learned Single Judge directed the parties to carry out a market survey to ascertain the availability of third-party products similar to the infringing product. On 01.02.2019, Relaxo filed a reply to Aqualite's aforementioned interlocutory application.

The Impugned Judgment

5. The impugned judgment is premised, essentially, on four, *prima facie*, findings. First, the learned Single Judge found that the market survey conducted by the parties pursuant to the order dated 30.01.2019, indicated that there were third-party products available in the market, which were similar to the Subject Design.

6. Second, the learned Single Judge reasoned that Relaxo claimed novelty in respect of the combination of colours and the placement of the label indicating the maximum retail price (MRP), but its application for registration of the Subject Design did not include any such claim of novelty.

7. Third, the learned Single Judge took note of the letter dated 18.01.2019 sent by a Chinese manufacturer stating that the strap of the footwear in the Subject Design was introduced in the market seven or

eight years ago and had become very popular since the year 2016. Fourth, the learned Single Judge observed that the Subject Design appeared to be common to trade.

8. In view of the aforesaid findings, the learned Single Judge expressed a *prima facie* view that the Subject Design lacked novelty and originality.

The Appeal

9. Relaxo assails the impugned judgment on several grounds. First, it is submitted that the learned Single Judge erred in drawing a conclusion regarding the novelty and originality of the Subject Design by referring to the market survey conducted by the parties. The learned counsel appearing for Relaxo contended that none of the parties had made any application for conducting any market survey; the learned Single Judge had *suo moto* devised the said procedure. He also contended that availability of the products infringing the Subject Design, would not possibly lead to the conclusion that the Subject Design lacked novelty and originality.

10. Second, he contended that the finding of the learned Single Judge that the Subject Design is common to trade is based on an erroneous application of a concept relating to trademark law. The said concept has no application to infringement of a design registered under the Designs Act.

11. Third, he submitted that the learned Single Judge had erred in relying on the letter by a Chinese manufacturer claiming that the strap on the product was in existence for several years. The said letter is a self-serving letter without any evidentiary value. More importantly, Relaxo had not claimed any novelty or originality in respect of the strap of the footwear in question.

12. The learned counsel appearing for Relaxo, also contended that Aqualite had not provided any explanation as to how, why and when it adopted the infringing design for its products. In contrast, he submitted that Relaxo had provided extensive documentation to indicate how the Subject Design was conceptualized by its design team along with a design company named 'The Footsoldier'. He also submitted that Aqualite is a habitual infringer and Relaxo had also filed two other suits in respect of the other designs infringed by Aqualite. Whilst, in one of the suits, Aqualite had undertaken not to use certain designs; in the other suit, Relaxo was successful in securing a temporary injunction, which is presently operative. He referred to the decisions of the Calcutta High Court in *Castrol India Ltd. v. Tide Water Oil Co. (I) Ltd.: (1996) 16 PTC 202* and of this Court in *Timken Company v. Timken Services Private Ltd.: (2013) 55 PTC 68*, in support of his contention.

13. Mr. Peeyoosh Kalra learned counsel for Aqualite, countered the aforesaid submissions and contended that Relaxo had failed to disclose any specific feature that was novel in the Subject Design and had obtained the registration in respect of "*shape configuration and surface pattern of the footwear as illustrated*". He referred to the decision of a

Coordinate Bench of this Court in *Crocs Inc Usa v. Bata India Ltd & Ors.: (2019) 78 PTC 1* and contended that there was a limited ‘play’ available in designing footwear. He contended that no novelty could be claimed in the Subject Design. It was merely a trade variant and therefore, was not registrable under Section 4 of the Designs Act.

14. Next, he submitted that products similar to the Subject Design were available in the market prior to the date of registration of the Subject Design. He relied upon a printout from the website (amazon.com) indicating that products similar in design were offered for sale on the online marketplace. In particular, he referred to a product review dated 25.05.2017, written by one customer and contended that the said review established that the product in question (footwear) had been sold prior to the aforementioned date under the brand name ‘Showaflops’. He also relied on the affidavit affirmed by Mr. Hong Yingli, Sales Manager of Fujian Province Jinjiang City Foreign Trade Co Ltd. and, on the strength of the said affidavit, contended that the Subject Design was available in the public domain prior to its registration.

Reasons and Conclusions

15. At the outset, it is necessary to refer to the Subject Design. The images of the Subject Design, as set out in the registration documents, are reproduced below:-

PRODUCT AS PER THE SUBJECT DESIGN REGISTRATION



TOP VIEW



BOTTOM VIEW



RIGHT SIDE VIEW



LEFT SIDE VIEW







FRONT VIEW



16. Relaxo claimed that “*the novelty resides in the shape, configuration and the surface pattern of the footwear as illustrated*” in the images set out above.

17. Relaxo had also specifically stated that it did not claim any right to the exclusive use of the colours or the colour combination appearing in the Subject Design.

18. A tabular statement indicating the images of the respective products manufactured and marketed by both the parties are relevant and set out below:

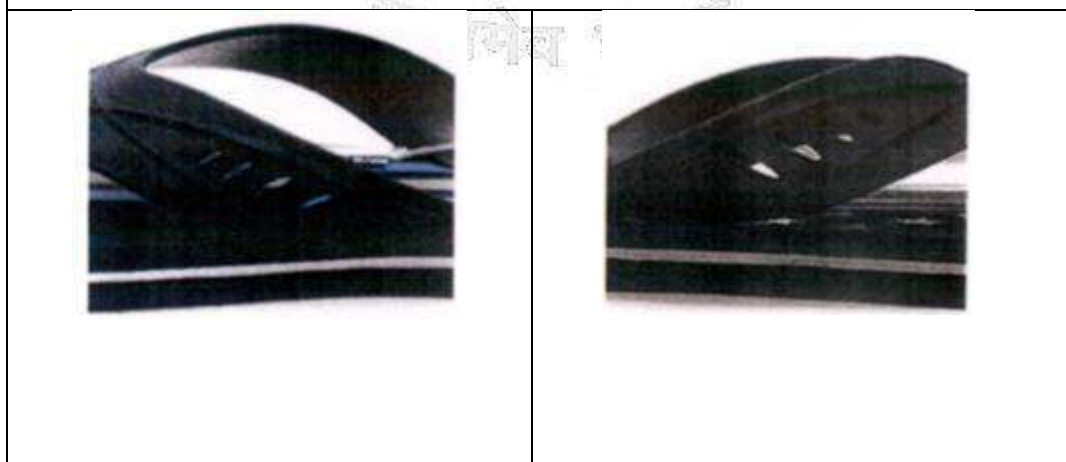
APPELLANTS (RELAXO)	RESPONDENTS (AQUALITE)
SURFACE PATTERN	
	
PLACEMENT OF THE LABEL BEARING THE PRICE AND THE PRODUCT	
	
SHAPE AND PATTERN OF THE STRAP OF THE SLIPPERS	



PLACEMENT OF THE LOGO/ TRADE MARK ON THE PRODUCTS



PATTERN AND NUMBER OF HOLES ON THE LEFT SIDE OF THE STRAP OF THE PRODUCTS





19. It is apparent from the above images that the design of Aqualite's products is almost identical to the Subject Design. The only question to be considered is whether registration of the Subject Design is proscribed under Section 4(a) and 4(c) of the Designs Act. According to Aqualite, the Subject Design is not new or original and is also not distinguishable from known designs or a combination of known designs.

20. The learned Single Judge had, *prima facie*, found that the Subject Design lacked novelty and originality. This finding was premised on the results of the market survey, which indicated that other products that resembled the Subject Design were available in the market. The learned Single Judge, additionally placed reliance on the letter sent by the Sales Manager of a Chinese manufacturer confirming that the strap was in vogue since several years.

21. We find merit in the contention that the learned Single Judge, could not have *suo moto* directed the parties to conduct a market survey. Further, we are also not persuaded to accept that the results of the market survey were relevant to address the controversy before the learned Single Judge. The market survey would, at best, indicate that the products were available in the market. It would not establish that the Subject Design lacked novelty and originality at the time when it was registered.

22. It is not unusual for small players to copy designs, which have become popular. It is not necessary for the proprietor of a design to pursue its remedies against each dealer/manufacturer selling infringing products. It is possible that the benefits of pursuing a particular infringer may not be commensurate with the cost and effort for doing so. It is understandable that a design holder would evaluate its options including on commercial considerations. A proprietor of a registered design does not forfeit its right merely because it has not enforced the same against all infringers. A design holder is not required to pursue the available remedies against all infringers in order to pursue its remedies against some infringers. It is open for the design holder to select the infringers that it wants to proceed against. The rights of a proprietor of a registered design is not diluted merely because there are multiple infringers; the design holder retains the right to interdict infringement of the registered design notwithstanding that it has not proceeded against some of the infringers.

23. In view of the above, this Court is unable to accept that a finding that the Subject Design lacked novelty and originality – which necessarily was required to be determined with reference to the date when the Subject Design was registered – could be arrived on the basis of the market survey without any evidence as to when the said products were introduced in the markets by their respective sellers.

24. The findings recorded in the impugned judgment indicate that apart from the market survey conducted by the parties, the learned Single Judge had also relied upon the letter produced from the Sales Manager of a Chinese manufacturer stating that the PVC strap used in the Subject Design was introduced seven to eight years ago. As noted above, Relaxo had claimed novelty in the shape, configuration and surface pattern as illustrated in the images of the Subject Design. Relaxo had not claimed any novelty in respect of the strap of the footwear. The Subject Design indicates a surface pattern comprising of four parallels stripes on one half of the top surface. The central stripe runs at the center of the surface with three further stripes on one side. In addition, there is a white stripe running through a groove at center of the vertical surface of the footwear. The question whether the Subject Design is novel or original was required to be ascertained by determining whether it was published or available in public domain prior to the registration.

25. The letter/affidavit stating that the strap had been introduced in the market seven to eight years ago would be of little assistance in arriving at the *prima facie* finding in respect of the Subject Design as Relaxo had not claimed novelty in the design of the strap. Further, any

letter or affidavit affirming the same, without any further material, would not be of much evidentiary value at this stage.

26. Aqualite had also claimed that a product bearing a similar design was available on the website (amazon.com) and therefore, the said design was available in the public domain prior to registration of the Subject Design. Aqualite had produced a printout of the screenshot from website (amazon.com) offering the aforementioned footwear (slippers) for sale. A *prima facie* view of the said products does not indicate that the design of the said product is identical to the Subject Design. A plain view of the image of the product, as available, indicates that the configuration is not similar. The top surface of the slippers appears to be rough with a granular pattern; the sole is ventilated by several holes; the strap is completely different; and the top surface has only two stripes in the center. It also does not appear that the vertical surface has any central groove or stripe.

27. It is also important to note that the findings recorded by the learned Single Judge indicate that they are not premised on the printout from the website (amazon.com). In addition, it would also be essential for Aqualite to establish that the said product was available for sale prior to the registration of the Subject Design. Aqualite relies on a review by one of the customers dated 25.05.2017, hence, it was necessary to examine the evidentiary value of the said material as well.

28. The *prima facie* finding of the learned Single Judge that the Subject Design is common to trade is premised on the basis of the

products available in the market. It is relevant to note that a mark, which is common to trade, cannot serve as a trademark. This is because it would fail to perform the primary function of the trademark as the source identifier of the product. However, this concept would have no application while considering infringement of a design. In terms of Section 2(d) of the Designs Act, by definition, a design does not include a trademark. If a product of a particular design is available prior to its registration, the same would be sufficient to render it incapable of registration on the ground that it is not original or novel.

29. Section 4 of the Designs Act is relevant and reads as under:-

‘Prohibition of registration of certain designs- A design which-

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

30. In terms of Section 4 of the Designs Act, a design, which is not new or novel or has been disclosed prior to registration or is otherwise not significantly indistinguishable from a known design or a combination of designs thereof, cannot be registered. For a design to be

registered, it must be original and novel; not disclosed in any manner prior to registration; and it should be significantly distinguishable from a known design or a combination of known designs. Thus, a mere trade variant, which is a combination of known designs, would not be entitled to protection under the provisions of the Designs Act.

31. Indisputably, if a design is not significantly distinguishable from a known design or combination of designs, it cannot be registered by virtue of Section 4(c) of the Designs Act. However, the market survey conducted by the parties would neither answer the question whether the Subject Design was original or novel at the time of registration, nor assist in determining whether the Subject Design was significantly distinguishable from the known designs at the time of registration of the Subject Design.

32. It is contended on behalf of Aqualite that the Subject Design is merely a trade variant. The learned counsel for Aqualite had placed strong reliance on the decision of the a Coordinate Bench of this Court in *Crocs Inc Usa v. Bata India Ltd & Ors.* (*supra*). We are unable to accept the said contention.

33. In *Crocs Inc Usa v. Bata India Ltd & Ors.* (*supra*), the Court had noted that footwear generally, and sandals in particular, have a design constraint inasmuch as they have to necessarily cater to an irregular foot shape. The Court had observed that the most constraining factor is the utility of footwear, which is dictated by comfort. And, given the constraints, footwear manufacturers have little play in creating new

designs. Undoubtedly, there are constraints with regard to footwear design. Footwear designers have to function under the given constraints, however, the decision in *Crocs Inc Usa v. Bata India Ltd & Ors.* (*supra*) cannot be read to mean that there can be no registrable design in respect of the footwear merely because they are fit to the shape of the foot. If the creative pursuits of footwear designers lead them to express themselves in novel designs that are merely discernable, there is no reason to assume that such designs would not be registrable. The decision in *Crocs Inc Usa v. Bata India Ltd & Ors.* (*supra*) is pivoted on the *prima facie* finding of the court that the designs in respect of which the appellant (Crocs Inc.) claimed novelty were repetition of old-age footwear design with some variations, which apparently the Court viewed as not significant. This is clear from the following observations made by this Court:

“44. what appears from the record is that the two designs, over which Crocs Inc claims novelty and originality are repetitions of age-old designs, with some variations - in strap, etc. A design for an article that simulates a well-known or naturally occurring object or person is unprotectible. Thus, a mere trade variation of an existing design does not entitle the originator of the design to protection through registration.”

34. The aforesaid observations cannot be read to mean that there can be no novel or original designs in respect of footwear and all designs would be merely trade variants.

35. The key question to be addressed is whether, *prima facie*, the Subject Design is indistinguishable from earlier known designs or

combinations thereof. This Court is not persuaded to accept that Aqualite has produced sufficient material for this Court to conclude that the Subject Design is merely a trade variant and indistinguishable from known designs or a combination thereof.

36. The conclusion of the learned Single Judge is not based on the findings that the Subject Design is indistinguishable from designs that were known at the time of the registration. It is based on the, *prima facie*, opinion that there are products with similar designs currently available in the market. Thus the '*prima facie*' conclusion of the learned Single Judge is not well founded.

37. In view of the above, the appeal is allowed and the impugned judgment is set aside. The pending application is also disposed of.

38. Acqualite, their directors, principal officers and servants are hereby restrained from manufacturing, selling, offering for sale, advertising, importing, exporting or in any manner dealing with products infringing the Subject Design (Design bearing no. 294938) till the disposal of the suit.

VIBHU BAKHRU, J

AMIT MAHAJAN, J

OCTOBER 27, 2022
Ch