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HIGH COURT OF DELHI: A COMPOSITE SUIT FOR DESIGN INFRINGEMENT AND PASSING OFF IS MAINTAINABLE

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On 14 December 2018, the special bench of the Hon'ble High Court of Delhi, comprising five judges (Special Bench), delivered a landmark judgment in *Carlsberg Breweries A/s v Som Distilleries and Breweries Limited, C.S.(COMM) 690/2018* on the maintainability of a composite suit of design infringement and passing off. The Special Bench, on a thorough examination of precedents and statutory law in relation to such suits, overruled the judgment of the full bench of the Hon'ble High Court of Delhi, comprising three judges, in *Mohan Lal v. Sona Paint and Hardwares, 2013 (55) PTC 61 (Del) (FB)* (*Sona Paint case*)

BACKGROUND

Carlsberg Breweries A/S (Carlsberg) filed a suit, C.S. (OS) No. 1485/2015, for design infringement and passing off, of its registered bottle design, against Som Distilleries and Breweries Limited (Som Distilleries).

In the said suit, while disposing off the interim injunction application of Carlsberg by way of his judgment dated 2 May 2017, the Hon'ble Single Judge of the High Court of Delhi (Hon'ble Single Judge) held that on a prima-facie examination of the design of the products of Carlsberg and Som Distilleries, no case for infringement had been made out by Carlsberg as it had failed to establish any novelty or appeal in the design of its products. However, an objection regarding the maintainability of a composite suit, for infringement of design and passing off, was raised during the hearing of the interim injunction application in the suit. Som Distilleries raised this objection on the basis of the clear bar imposed on such suits by the full bench of the Hon'ble High Court of Delhi in the *Sona Paint case*.

In relation to the aforesaid objection raised by Som Distilleries, the Hon'ble Single Judge, upon hearing the arguments of Carlsberg, was of the view that the full bench of the Hon'ble High Court of Delhi might have erred in holding that a composite suit for design infringement and passing off was not maintainable in light of the following:

- Order II Rule 3 of the Code of Civil Procedure 1908 (CPC), which permits joinder of causes of action;
- Judgment passed in *Dabur India Ltd. v K.R. Industries (2008) 10 SCC 595 (Dabur)* by the Hon'ble Supreme Court, which bars joinder of two causes of action only when the relevant court does not have the necessary jurisdiction to try both causes of action individually as well.

Accordingly, the Hon'ble Single Judge referred the matter for consideration to a larger bench.

JUDGMENT

Pursuant to the reference made by Hon'ble Single Judge, the matter was taken up by a Special Bench which framed the following two issues in order to satisfactorily decide on the present matter:

- *"In the said suit, while disposing off the interim injunction application of Carlsberg by way of his judgment dated 2 May 2017,"*
- *"It was further noted by the Special Bench that in cases where it was held by the Hon'ble Supreme Court that two causes of action could not be joined together such as in Dabur and Dhodha House v. S.K. Maingi, (2006) 9 SCC 41, the said ruling was given as the courts before which the said suits were brought originally"*

In relation to the first issue, the Special Bench held that a plaint cannot be rejected on the ground of misjoinder of causes of action. In fact, it has been established by the Hon'ble Supreme Court through its judgment in *Girdhari Lal (Dead) by LRs. vs. Hukam Singh & Ors. (1977) 3 SCC 347*, that the objection to misjoinder of causes of action is merely procedural and a suit cannot be rejected on that ground. Furthermore, joinder of causes of action is explicitly provided for under Order II Rule 3 of the CPC.

It was also noted by the Special Bench, that in cases where the objection of misjoinder of causes of action is raised, the court may permit the suit to continue as it is or allow for the causes of action to be split into different suit, however, the same cannot amount to rejection of a plaint.

It was further noted by the Special Bench that in cases where it was held by the Hon'ble Supreme Court that two causes of action could not be joined together such as in *Dabur and Dhodha House v. S.K. Maingi, (2006) 9 SCC 41*, the said ruling was given as the courts before which the said suits were brought originally, lacked the necessary jurisdiction to try both the causes of action individually and not because Hon'ble Supreme Court was of a view that two different causes of action per se could not be joined in one suit.

In relation to the second issue, the Special Bench observed that in accordance with Order II Rule 3 of the CPC, two causes of action can be joined when the bundle of facts leading to the two causes of action are the same and in fact, this must be done in order to avoid duplicity and multiplicity of proceedings. Accordingly, after viewing the facts of the present suit, the Special Bench observed that the basic fact which impels a plaintiff to approach a court for design infringement and passing off would be similar as it would be whether an article being of a particular design being sold by the defendant, is or is not a fraudulent or obvious imitation of the article of the plaintiff. Further, the defences to be taken by the defendant in a passing off action would also be the same as those in an infringement action. Therefore, on account of existence of common questions of law and fact between the two causes of action, the evidence of the two causes of action will be common to a considerable extent. In such a situation to avoid multiplicity of proceedings, the two causes of action i.e. the cause of action for the infringement of a registered design and the cause of action for passing off against the same defendant in one suit, can be joined together.

COMMENT

The Special Bench, through this landmark judgment has overruled the judgement of the full bench of Hon'ble High Court of Delhi and a party is now permitted to file a composite suit for design infringement and passing off. In doing so, the Special Bench

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has aligned the protection given to design rights with the protection given to other forms of intellectual property rights, such as trademarks and copyright.

This judgement is also highly significant as it will reduce the multiplicity of proceedings. Further, the Special Bench, while giving higher protection to intellectual property rights has also maintained a balance between the procedural and substantive law.

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