

ORIGINAL CIVIL.

Before Lord-Williams J.

1936
Feb. 11, 12.

CALICO PRINTERS ASSOCIATION, LIMITED

v.

D. N. MUKHERJI.*

Design—Infringement of copyright—Injunction—Offer by defendant before trial to submit to injunction pending copyright—Further relief not claimed by plaintiff—Trial—Costs of trial—Indian Patents and Designs Act (II of 1911), s. 53.

In a suit for infringement of copyright in certain registered designs, the plaintiff claimed a perpetual injunction and damages for fraudulent imitation. By his written statement the defendant disputed the originality of the design and denied any infringement of copyright or any fraud on his part but agreed to give an undertaking to the plaintiff or to the Court provided the plaintiff established his copyright. Subsequently, on the plaintiff's application for an interim injunction, the defendant by his affidavit pleaded ignorance of the plaintiff's rights but offered unconditionally to submit to an injunction during the existence of the plaintiff's copyright in the registered design. An order for an interim injunction was made. At the trial the plaintiff abandoned his claim to damages and the defendant admitted the plaintiff's copyright in the design. A decree for an injunction was made, but, on the question of costs,

held that, as the plaintiff could have obtained, on the application for an interim injunction, all the reliefs that he ultimately obtained in the suit, the costs subsequent to the application must be paid by the plaintiff to the defendant.

Winkle & Co., Ltd. v. Gent & Son (1) followed.

ORIGINAL SUIT.

The facts of the case and arguments of counsel appear sufficiently from the judgment.

B. N. Dutt-Roy for the plaintiffs.

S. Chaudhuri and *D. R. Das* for the defendant.

LORT-WILLIAMS J. This is a suit asking for a perpetual injunction restraining the defendant, his servants and agents from importing, printing, offering and exposing for sale and selling, or in any way dealing with, cotton materials, not being those of the

(1) (1914) 31 R. P. C. 473.

*Original Suit No. 1707 of 1935.

plaintiffs, with any or all the designs printed thereon, and from otherwise infringing the copyright of the plaintiffs' designs, and for an order for inspection of the books of account and stock of the defendant, and ordering him to deliver up to the plaintiffs for destruction all the stocks in his possession of the infringing cotton materials, and for damages and costs.

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The plaintiffs in their plaint stated, *inter alia*, that they were the proprietors of three new and original designs relating to cotton goods which were duly registered and the copyright in them duly extended by the Controller of Patents which copyright is still in existence. Further they alleged that on August 27, 1935, it came to their knowledge that the defendant, with the knowledge that certain designs were imitations of the plaintiffs' designs, had imported into Calcutta and stored and exposed for sale cotton materials manufactured in Japan not being the goods of the plaintiffs or manufactured by them, with the plaintiffs' designs on them or close imitations thereof, and that thereby the defendant had infringed the copyright of the plaintiffs. Further they charged the defendant with applying or causing to be applied thereto fraudulent or obvious imitations of the plaintiffs' designs for the purpose of selling his goods, without obtaining any license or consent from the plaintiffs. Further that he had knowingly applied or caused to be applied the said designs or fraudulent or obvious imitations thereof to the goods imported by him with the object of defrauding the public into the belief that they were purchasing the plaintiffs' goods.

The defendant by his written statement denied the originality or novelty of the designs and stated that any such copyright, registration or protection obtained was invalid. He admitted selling certain cotton goods manufactured in Japan with designs similar to the plaintiffs' designs but he denied that he sold the goods with the knowledge that the designs were similar to or imitations of the plaintiffs' designs or

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that he had imported such goods into Calcutta, and he denied that he had infringed the plaintiffs' copyright. Further he denied that for the purpose of sale or at all he had applied or caused to be applied to his cotton goods fraudulent or obvious imitations of the plaintiffs' designs, or with knowledge of the plaintiffs' claim to any such copyright he had applied or caused to be applied the said designs or with such knowledge had exposed them for sale or had defrauded the public as alleged. Further he stated that the goods sold by him were offered and sold in ignorance of the rights of the plaintiffs, if any, in the alleged designs, and denied that he had imported any such goods, or that the plaintiffs had suffered any damage. In conclusion he said that he had been and still was ready and willing to undertake to the plaintiffs and to the Court not to deal with any goods printed with the plaintiffs' designs aforesaid or any obvious imitations thereof in case and for such period as the plaintiffs established their copyright in the said designs.

Prior to the delivery of pleadings, on August 15, 1935, the solicitors acting for the plaintiffs had addressed a letter to the defendant alleging the infringement and asking him forthwith for a written undertaking in a form enclosed, and stating that the undertaking if given was not to prejudice the plaintiffs' full legal rights including their right to take proceedings. If the defendant gave the undertaking then the plaintiffs would require a further undertaking to be given (to the Court if their clients so required) to deliver up all goods bearing the copyright and designs of the plaintiffs and an account of all goods sold which infringed their registered designs, and payment of damages. In answer to that letter the defendant wrote saying that without admitting the plaintiffs' right to the designs claimed by them, he had not caused any alleged infringements, nor had he any goods bearing such infringed designs in his possession, the question of giving a written undertaking therefore did not arise. The result was that

notice of motion was given to ask for an order for an interlocutory injunction against the defendant.

In answer to that the defendant swore an affidavit reiterating that he had no knowledge of and did not admit the novelty and originality of the designs claimed by the plaintiffs, and explaining that he was the selling agent of a Japanese firm which had sent him the goods for sale in Calcutta and other places in India, and denying that he had imported or indented for or sold any other goods than those mentioned in his affidavit and that he did not intend to deal any further in such goods in any manner whatsoever. Further he denied that he knowingly or at all applied or caused to be applied to any cotton goods any imitations of the plaintiffs' registered designs, or that he had imported or sold any goods, with such designs with knowledge that they could be claimed to be imitations. Further he said as follows:—

I state that I sold as aforesaid the aforesaid goods with the said designs in complete ignorance of the plaintiffs' claim to or rights in them and of the fact of their registration, and as agent of my said Japanese principals and for and on behalf of them. Since I came to know that the plaintiffs were claiming rights in them I have been willing and am still willing to undertake not to sell, publish for sale or otherwise deal in any piecegoods with the aforesaid designs or any obvious imitations thereof for so long as plaintiffs' copyright in such designs subsists and am further willing to give such undertaking to this Court.

The motion was not heard because the defendant agreed to be bound by an interim injunction in terms of the notice.

That was the position when the suit was called on for hearing. Thereupon counsel for the plaintiffs stated that plaintiffs abandoned any claim to damages, and counsel for the defendant stated that he abandoned his plea of want of originality, that is to say, he admitted the plaintiffs' copyright in these registered designs.

The only issues submitted were:—

(1) Did the defendant sell or expose for sale goods with the designs contained in exhibits D, E and F to the plaintiff knowing that they were imitations of the designs contained in Exhibits A, B and C to the plaintiff?

(2) Has the defendant applied or caused to be applied to the said goods fraudulent imitations of the aforesaid registered designs of the plaintiffs?

(3) To what relief, if any, are the plaintiffs entitled?

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Section 53 of the Patents and Designs Act (II of 1911) provides that—

During the existence of copyright in any design, it shall not be lawful for any person (a) for the purpose of sale to apply or cause to be applied to any article in any class of goods in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied or (b) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale, that article.

Sub-section (2) provides that—

If any person acts in contravention of this section, he shall be liable for every contravention, (b) if the proprietor elects to bring a suit for recovery of damages for any such contravention, and for an injunction against repetition thereof, to pay such damages as may be awarded, and to be restrained by injunction accordingly.

Counsel for the defendant submitted that the only real question left in issue was whether the defendant had applied or caused to be applied to his goods the plaintiffs' design, or had exposed for sale such articles knowing that the design or any fraudulent or obvious imitation of it had been applied to any such articles. Counsel for the plaintiffs then stated that he did not propose to call any witness, but would rely upon the documents to prove these facts. He further argued that as such facts were peculiarly within the knowledge of the defendant, the onus of proving them lay upon him under s. 106 of the Evidence Act, and he referred to a number of documents such as invoices, sale notes, telegram and copies of indents.

These went to show that the defendant might have been the seller of the goods in Calcutta instead of being merely the agent of the Japanese importer. But even upon this point they were inconclusive, and they wholly failed to establish the facts which were essential in this case, namely, that the defendant had knowledge of the plaintiffs' right in these registered designs, or that he had applied or caused to be applied such designs to the articles which he had sold. There can be no doubt that the onus of proving knowledge on the part of the defendant lay upon the plaintiffs, and that s. 106 of the Evidence Act has no application. Counsel for the plaintiffs, as a last resort,

asked me to draw a presumption under s. 114 of the Evidence Act, but no such presumption arose nor could arise upon the facts of this case and the evidence which was tendered.

These being the facts, the question remains to what, if any, relief are the plaintiffs entitled, and whether they are entitled to any, and if so what, costs. At first sight it would appear that the plaintiffs have failed to prove their case, and that the defendant is entitled to judgment, but in my opinion that is not the real position. As the pleadings stood when the case was called on, the defendant had stated therein that he had been and was still ready and willing to give an undertaking to the plaintiffs and to the Court, for such period as the plaintiffs were able to establish their copyright. That was a conditional offer of an undertaking, and the plaintiffs were not bound to accept it upon such terms. But, as I have already stated, counsel for the defendant, abandoned his denial of the plaintiffs' rights. Thereupon the undertaking became an unconditional undertaking.

This should have been accepted by the learned counsel for the plaintiffs, and he should have asked for judgment in the form of an order embodying the undertaking. I am willing, however, to treat his further argument in this case as being in fact an application for judgment upon the terms which were then offered. It is clear that he could not be entitled to a perpetual injunction as asked for in the plaint, because the period of copyright granted by the comptroller is only for five years, with possibly two further extensions of five years each. The result would have been that the plaintiffs were entitled to a judgment or order in the form of the undertaking offered, and costs up to the date the condition was withdrawn, namely, the date upon which this case came on for hearing.

But in considering the question of costs one must have regard to the date when first the plaintiffs could

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have obtained the relief which such an order would give them. If they failed to ask for relief at a time when they could have obtained it, and went on with the suit, they ought not to get the costs incurred by so doing. On the contrary they ought to pay such costs to the defendant.

Now in my opinion the time when the plaintiffs could have obtained the relief which they are asking for to-day was upon September 5, 1935, when the defendants swore the affidavit to which I have referred, and offered unconditionally to give an undertaking for so long as the copyright in the plaintiffs' designs subsisted. That is the most which the plaintiffs can ask for in any case. Applying to this case by analogy the case of *Winkle & Co. Ld. v. Gent & Son* (1), the proper course for the plaintiffs to have pursued was to have asked the Court hearing the motion to make an order in the terms of the undertaking offered by the defendant. In this way the plaintiffs would have secured all the relief to which they were entitled, or which they required.

All the costs incurred subsequent to that date were unnecessary. For these reasons I give judgment for the plaintiffs with costs up to and including the costs incurred with reference to the notice of motion, and all costs incidental thereto including the costs of the affidavits sworn in connexion therewith, and including the costs of briefing counsel on the motion. There will be an injunction restraining the defendants in terms of the prayer of the plaint, except that it will be limited to the period during which the plaintiffs' copyright in the designs subsists, that is to say, so long as it is extended by the controller. Costs from the date to which I have referred, onwards to date, must be paid by the plaintiffs to the defendant.

Attorneys for plaintiffs: *Sandersons & Morgans.*

Attorneys for defendant: *Fowler & Co.*

G. K. D.