
THE UNDERUTILIZATION OF DESIGN REGISTRATIONS IN INDIA

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ABSTRACT

Design law is one of the 4 pillars of Intellectual Property in India, with all 4 playing a unique and crucial part in protecting a product and/or business. Despite this, statistics have shown that design registrations are heavily underutilized, especially when compared to the other 3 sub-fields of Intellectual Property. There may be a number of reasons for this, including but not limited to the lack of innovation in India, the fact that design law is often only utilized by the elite, the general masses often lack awareness of the field in general, etc. This article looks to explore the various possible reasons for the underutilization of design law as well as some possible ways to remedy this.

Introduction

The realm of Intellectual Property (hereinafter referred to as “IP”) is one of the most dynamic and rapidly evolving fields of study in the legal profession. It is a vital part of any successful business and is crucial for the protection of one’s rights. In India, Classical IP consists of 4 main sub-fields; Trademark, Copyright, Patent, and Industrial Design (hereinafter referred to as “design”). Though the overall idea behind these concepts remains fairly constant in most jurisdictions, the approach to dealing with them often differs. These four pillars, despite having distinct and important individual utility, are often treated unequally. This especially applies to design. Design laws and registrations are often overlooked and underutilized, despite the unique and crucial set of rights that they grant the design registration owner. This is not only true for India, but for much of the world in general. With that said, this essay will look to explore the possible explanations for the underutilization of design law in India. However, before addressing this, it is first important to explore what differentiates design from the other three fields of IP.

Design vs. Patent

Design and patents generally have a very interwoven relationship. In fact, in many jurisdictions, with the USA being the most prominent, designs are actually registered as a form of patent, called a “design patent.” In comparison, Indian law treats the two as separate forms of registration, with two separate acts and procedures governing them. A patent is a registration of an invention, a new product/process which was manufactured involving an inventive step and having a capable and industrial application, as defined in S.2(m)¹ and 2(j)² of the Patents Act. On the other hand, under S.2(d) of the Designs Act,³ a design is a shape, configuration, pattern, ornament, etc. The contrast between the two is summarized in the judgement passed in *Castrol India Ltd. v. Tide Water Oil Co.(I) Ltd.*, in which the court clarified that “a design protects an idea embodied in a particular form while a patent protects the idea itself.”⁴ In essence, while a patent protects the practical aspects of a product, a design registration protects the aesthetic aspects. In practice, however, the

¹ Patents Act, 1970, § 2, No. 39, Acts of Parliament, 1970.

² Patents Act, 1970, § 2, No. 39, Acts of Parliament, 1970.

³ Designs Act, 2000, § 2, No. 16, Acts of Parliament, 2000.

⁴ *Castrol India Ltd. v. Tide India Oil Co. (I) Ltd.*, 1994 SCC OnLine Cal 303.

two often overlap, leading to patents being issued where design registrations would have been more appropriate.

There are also several procedural differences between the two. For instance, the registration of a patent generally takes a longer duration of time than that of a design, often a matter of years as opposed to months. Further, the registration fees for a design are significantly cheaper than for a patent. In addition to this, because patent registration takes longer than design registration, it often means the applicant must incur higher costs to acquire and maintain a patent as compared to a design. Patents also require an annual renewal fee, while design renewal fees only need to be paid once every five years, once again adding to the cost of a patent. Lastly, the term of protection for a design is generally 10 years whereas the term of protection for a patent lasts for a maximum of 20 years.

Design vs. Trademark

The relationship between design and trademark is quite complex. Under S.2(d) of the Designs Act,⁵ an article which has a trademark cannot be registered as a design. However, it is not clarified anywhere whether a registered design can be trademarked, which leads to a level of ambiguity in the law. While it is made clear in countries like the USA that a trademark and design patent can be obtained for the same article,⁶ this level of clarity is absent in Indian IP law. At first, because this is not a ground for cancellation under S.19 of the Designs Act,⁷ it was initially held in cases like *Mohan Lal v. Sona Paint and Hardwares*⁸ that it is perfectly valid to trademark a registered design. However, in later cases like *Carlsberg Breweries v. Som Distilleries*⁹ and *Havells India Ltd. v. Panasonic*¹⁰ the court took the opposite stance. Though this should now mean that the *Mohan Lal* case has been overruled, there still remains a level of confusion in the law, as the exact grounds on which a difference can be drawn are rather ambiguous, with the court in the case of *Dart Industries v. Vijay Kumar Bansal*¹¹ simply expressing that there must be “something extra”¹²

⁵ Designs Act, 2000, § 2, No. 16, Acts of Parliament, 2000.

⁶ *In re Mogen David Wine Corp.*, 328 F.2d 925 (CCPA 1964).

⁷ Designs Act, 2000, § 19, No. 16, Acts of Parliament, 2000.

⁸ *Mohan Lal v. Sona Paint and Hardware*, 2013 SCC OnLine Del 1980.

⁹ *Carlsberg Breweries v. Som Distilleries and Breweries Ltd.*, 2018 SCC OnLine Del 12912.

¹⁰ *Havells India Ltd. v. Panasonic Life Solutions India Pvt. Ltd.*, 2022 SCC OnLine Del 1662.

¹¹ *Dart Industries Inc. v. Vijay Kumar Bansal*, (2019) 80 PTC 73 (Del).

¹² *Dart Industries Inc. v. Vijay Kumar Bansal*, (2019) 80 PTC 73 (Del).

which qualifies an article to be trademarked in addition to a design registration. It may seem at first that a distinction between design registrations and trademarks can be drawn by simply looking at the definitions and purposes of the two, but in actuality, this is far from true.

In theory, trademarks are meant to protect a certain image or brand identity associated with a product, while design registrations are meant to protect the shape/aesthetic aspects of a product. In reality, however, the two are usually heavily intertwined, because in most cases, the common man will inevitably associate the brand identity/image of a product with the way that it looks, which means that trademark and design will almost always be at least indirectly connected. For example, the shape and design of the Coca-Cola bottle is heavily associated with the Coca-Cola brand and all that this brand encapsulates, making it a trademark. Another example is the recent recognition of the Taj Mahal Palace in Mumbai as a trademark,¹³ despite the fact that one of the major factors which makes it unique and recognizable is the design of the building. There are many such cases, which makes it difficult to draw a clear, universal line to separate design registrations and trademarks. In such circumstances, the courts have little choice but to act based on the facts at hand.

Design vs. Copyright

Lastly, the difference between copyrights and designs is quite straightforward, in that designs do not have power over artistic works, as this is the sole realm of copyright law. This is reiterated in S.2(d) of the Designs Act¹⁴ and S.15 of the Copyrights Act,¹⁵ in which it is made clear that the two cannot overlap. The differences between the two are further expanded upon in cases like *Microfibres Inc. v. Giridhar & Co.*¹⁶ and *Ritika Pvt. Ltd. v. Biba Apparels Pvt. Ltd.*¹⁷

Why are Design Registrations Underutilized?

Owing to the aforementioned complexities and obscurities between design and the other forms of

¹³ Reeba Zachariah and Vipashana V K, *114-year-old Taj Palace becomes first Indian building to get trademark*, TIMES OF INDIA (June 19, 2017, 4:29 PM), <https://timesofindia.indiatimes.com/city/mumbai/taj-palace-first-building-to-get-trademark/articleshow/59210141.cms>.

¹⁴ Designs Act, 2000, § 2, No. 16, Acts of Parliament, 2000.

¹⁵ Copyright Act, 1957, § 15, No. 14, Acts of Parliament, 1957.

¹⁶ *Microfibres Inc. v. Giridhar & Co.*, 2009 SCC OnLine Del 1647.

¹⁷ *Ritika Pvt. Ltd. v. Biba Apparels Pvt. Ltd.*, 2016 SCC OnLine Del 1979.

IP, the central purpose of this essay is to probe as to the reasons why design registrations are so underutilized in India. Unfortunately, there has not been as much literature in this field as it deserves, especially as it pertains to developing countries like India. As pointed out by Margolin, industrial design is often ignored as a field for further study, with it only being given importance in the West and Japan.¹⁸ As Bonsiepe highlights, the important contributions of industrial design are often ignored and pushed to the “periphery”,¹⁹ resulting in design being considered an afterthought to patents, trademarks, and copyrights. On account of this unfortunate truth, this paper will look to add to the literature which exists in this field.

When one looks at statistics, it is clear that design law is heavily underutilized. While it is true that there has been growth in the field, India still has considerably fewer design registrations compared to other major economies such as China, the UK, the USA, etc., with India only having 19939 registrations according to WIPO.²⁰ As per the IPO Annual Report for the year 2021 to 2022, the number of design applications and registrations in India has been significantly less than the number of patent, copyright, and trademark registrations, with there being only 22699 design applications in the years 2021-22 as compared to 66440, 30988, and 447805 applications for patents, copyrights, and trademarks respectively.²¹ Even in countries like the UK, where IP laws have existed in some capacity for centuries, it was not until 2017 that the UK saw the number of design applications come close to the number of patent applications (19269 as compared to 22072),²² while there still exists a massive gap between the number of design applications and trademark applications as of 2019 (25545 as compared to 107527).²³ Furthermore, even in terms of the number of cases involving design law, one can see that there is a huge gap. In the 21st century,

¹⁸ H. Alpay Er, *Development Patterns of Industrial Design in the Third World: A Conceptual Model for Newly Industrialized Countries*, 10 J. DESIGN HIST. 294, 293-307 (2015).

¹⁹ H. Alpay Er, *Development Patterns of Industrial Design in the Third World: A Conceptual Model for Newly Industrialized Countries*, 10 J. DESIGN HIST. 294, 293-307 (2015).

²⁰ World Intellectual Property Organization, *World Intellectual Property Indicators 2023 – Industrial Designs Data Tables*, WIPO (accessed December 27, 2023, 7:46), <https://www.wipo.int/publications/en/details.jsp?id=4678>.

²¹ The Office of the Controller General of Patents, Designs, Trademarks, and Geographical Indications India, *Annual Report 2021-2022*, INTELL. PROP. INDIA (accessed March 17, 2023, 4:17 PM), https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final_Annual_Report_Eng_for_Net.pdf.

²² Intellectual Property Office, *Facts and figures: patent, trade mark, design and hearing data: 2019*, GOV.UK (June 2, 2020), <https://www.gov.uk/government/statistics/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019#further-information>.

²³ Intellectual Property Office, *Facts and figures: patent, trade mark, design and hearing data: 2019*, GOV.UK (June 2, 2020), <https://www.gov.uk/government/statistics/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019#further-information>.

after the Act of 2000 was passed, while there have been at least 10 to 11 patent cases before the Supreme Court, in the same period of time there have only been 3 design cases. Clearly, despite having already established that design registrations are quite easily obtainable, since they are the least expensive and time consuming to obtain, design registrations and design law as a whole are often overlooked despite being a major, crucial part of protecting a product, and therefore, a business. There are a number of possible explanations for this, four of which will be discussed hereinafter.

I: Lack of Innovation in India

A root cause for the underutilization of design the simple fact that India's market is not a very innovative one, and if there are few design-related innovations, it is manifest that there will be few registrations of the same. This lack of innovation can be attributed to a number of cultural, economic, and historical factors, but one of the most significant, especially in the context of this paper, is the dominance of contract manufacturing industry, which is a massive industry in India, projected to be worth over 23 billion dollars by 2025.²⁴ The nature of this industry is such that there is little or no innovation, with businesses involved in this industry focusing solely on making parts for existing products rather than designing new products. This causes a steep decline in innovation, as there is almost no creativity attached to this industry. In a similar manner, many of the businesses in India do not look to create a new, innovative product, but rather to make similar products at a more competitive price. Additionally, innovation and R&D increases costs, due to which prices will have to be increased, and because India is an extremely price sensitive market, this makes it highly unlikely that such products survive. This especially affects designs, because if people are not willing to spend on making new, creative products and take risks, they certainly will not be willing to invest in innovating on the aesthetics of a product. India as a country only spends 0.7% of its GDP on R&D, which speaks volumes on the lack of innovation in the country. In comparison, countries like the USA, China, Israel and Korea spend 2.8%, 2.1%, 4.3% and 4.2% of their GDPs respectively on R&D.²⁵ If India wishes to keep and remain a major economic power,

²⁴ ACCLIME, <https://india.acclime.com/guides/contract-manufacturing/#:~:text=In%20fact%2C%20a%20study%20determined,Investment%20under%20the%20automatic%20route> (accessed March 18, 2023, 7:33 PM).

²⁵ Tausif Alam, *The Real Reason Why India Falls Behind in Innovation*, ANALYTICS INDIA MAG. (Oct. 27, 2022), <https://analyticsindiamag.com/the-real-reason-why-india-falls-behind-in-innovation/>.

it must be willing to innovate, and in doing so, it will not just address the underutilization of design, but will benefit the nation as a whole.

II: High Profile Nature of Design Registration

In his paper, H. Alpay Er points out that, as it pertains to India, although the “original aim was to foster the craft industry in India, the role of industrial design has changed gradually into a profit-oriented task in modern industry.”²⁶ This is also further expanded upon by Ashoke Chatterjee, who says that design has become a “high-profile activity,” even though it was meant to be a tool to “lift the quality of life for millions”²⁷ in poverty. Despite this, this sector remains “virtually untouched.”²⁸ In essence, these two scholars are saying that, because design registration has become a tool of high-profile, higher-class individuals, the common man cannot and/or will not access it. Thus, only a small percentage of the population will utilize design registration, while the masses will remain unaware of the same.

III: Confusion Regarding Appropriate Choice for Protection

Another possible reason for this underutilization of design stems from the fact that design is frequently intertwined with patents and trademarks, as discussed earlier. This often makes it difficult for one to differentiate when to register an innovation or product as a design, trademark, or patent. In such cases, one often prefers patents or trademarks, or even copyrights, though they differ quite significantly from designs, largely because they are more popular than design registrations. This speaks to the lack of clarity and awareness regarding design, which in itself is a major reason for the underutilization of design.

IV: Lack of Awareness

Lastly, in general, there is a lack of awareness when it comes to design registration. When one speaks of IP law, to most people, it means patents, copyrights, and trademarks, but few are aware

²⁶ H. Alpay Er, *Development Patterns of Industrial Design in the Third World: A Conceptual Model for Newly Industrialized Countries*, 10 J. DESIGN HIST. 299, 293-307 (2015).

²⁷ H. Alpay Er, *Development Patterns of Industrial Design in the Third World: A Conceptual Model for Newly Industrialized Countries*, 10 J. DESIGN HIST. 299, 293-307 (2015).

²⁸ H. Alpay Er, *Development Patterns of Industrial Design in the Third World: A Conceptual Model for Newly Industrialized Countries*, 10 J. DESIGN HIST. 299, 293-307 (2015).

that design law even exists as an essential part of IP law. This means that few people will bother using or even exploring it, resulting in the underutilization of design that we see. After all, as discussed earlier, not only can it be tricky to separate designs from patents and trademarks, but design registration has gradually become a tool utilized by a few rather than something used by the common man. This may lead to people preferring to pursue a form of registration that is more familiar to them. It must also be said that there has been little initiative in recent times which has successfully increased awareness. Design law and design registration are given very little importance. In fact, during the exam to become a patent agent, though applicants are expected to know design law, they are almost never, if ever at all, tested on this area of IP law. It must also be mentioned that design registrations generate the least revenue of the four pillars of IP.²⁹ Therefore, there is very little practical incentive to spread awareness. This creates a vicious cycle, as the absence of awareness leads to underutilization, thus reducing potential revenue, and this low potential revenue means there is very little motivation to spread awareness. However, if the public's awareness of design as a form of IP is increased, it will be utilized to a greater degree, thus increasing revenue while also protecting businesses and helping them flourish. Further, by ensuring that agents and lawyers are well trained in this field, the number of design registrations can be increased, thus further increasing revenue as well. Otherwise, it may lead to a level of complacency on the part of legal representatives, who may feel that design law is not important and thus choose to ignore it altogether.

Conclusion

Having discussed the issue at hand, it is clear that there are multiple possible reasons for the underutilization of design law and design registration in India. However, how can this issue be addressed? While there are countless possible solutions to this problem, there are two which seem most appropriate based on the factors discussed in this paper:

- I. One of the ways that this issue may be addressed is to take inspiration from other nations, especially the UK, where the gap between the number of design registrations

²⁹ The Office of the Controller General of Patents, Designs, Trademarks, and Geographical Indications India, *Annual Report 2021-2022*, INTELL. PROP. INDIA (accessed March 23, 2023, 11:26 AM), https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final_Annual_Report_Eng_for_Net.pdf.

and other IP registrations, especially patents, has closed. In fact, in 2018, the number of design applications and registrations in the UK actually exceeded the number of patents,³⁰ which clearly shows that this issue is very much a repairable one. The UK legal system has multiple similarities to that of India, including their IP laws. Like India, the UK separates designs and patents into two different forms of registration, so we can take inspiration from their laws and modify them to meet the Indian context.

- II. Another possible solution, but a more extreme measure, could be to call for a shift in the paradigm completely. This would mean adopting a similar system to the USA and amending the laws so that designs are made into a form of patent and patents are divided into design patents and utility patents. However, the issue with this method is that the effectiveness of this is unproven. Even in the USA, in 2020, there were 597175 utility patent applications as compared to only 47838 design applications.³¹ When this system does not even seem to be making a difference in the USA, there is no guarantee that it will work in India. On the other hand, such a radical change would allow for the system to be remedied from the ground-up, if done correctly. Therefore, while this option is certainly risky due to its uncertainty, the possibility of its usage cannot be ruled out.

To conclude, whether it be due to the lack of innovation, lack of awareness, or otherwise, there are numerous reasons why design law and design registrations remain the least utilized in the IP field. This underutilization is detrimental to all, as it not only limits the ability of individuals and businesses to protect their products and creations, but the government also suffers because it limits the amount of revenue they can generate. Therefore, this issue must be addressed, whether it be through the methods prescribed in this essay or otherwise. Doing so will help the Indian market flourish, which would guide the nation to new heights of economic success.

³⁰ Intellectual Property Office, *Facts and figures: patent, trade mark, design and hearing data: 2019*, GOV.UK (June 2, 2020), <https://www.gov.uk/government/statistics/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019#further-information>.

³¹ U.S. PATENT AND TRADEMARK OFFICE, https://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm (Accessed March 25, 2023, 11:58 PM).