

# Overview of the Law Relating to Industrial Designs in Pakistan

by Faisal K. Daudpota

Industrial Design Law in Pakistan is regulated by Registered Designs Ordinance, 2000<sup>1</sup> (RDO '00), and the object whereof, as per its preamble, is to re-enact the law relating to the protection of industrial designs. Obviously, this re-enactment of design law is the replacement for an earlier design law regime that was regulated by Patents and Designs Act, 1911 (PDA '11).

## Definition of a design

According to section 2 (e) of RDO '00 a design stands for the 'features of shape, configuration, pattern or ornament' that have been 'applied to an article by any industrial process ... which in the finished article appeal to or judged solely by the eye'.

## Conditions of registration

Section 3 of RDO '00 provides that a design capable of registration has conform to the following three conditions:

- It has to be new and original,
- It should not be already registered in Pakistan; and
- It should not be already published anywhere in the world.

## Novelty and originality

The only guiding provisions as to investigation in to novelty and originality aspect of a design is the explanation to section 3 (2) of RDO '00 whereby it has been provided that designs are not new or original if they do not significantly differ from known designs or combination of design features. However, earlier case law has left some leads for the assessment of new or original designs. As it was the issue in *Maniar Industries Ltd v Mobin Plastic Industries*<sup>2</sup> that was whether a design already published in

Pakistan market since a long time prior to registration merits protection by virtue of registration or not. The High Court held that such registration is not valid as 'the Act ... limits the powers of the Controller to register only such designs that are new or original designs not previously published'.

Next was the case of *Khawaja Auto Cars Ltd v Shahnawaz Ltd*<sup>3</sup> the Court adjudicated that design was not new because it had already been published in newspapers. Lastly, as for the design that has been copied from any source

the priority date, of the application, provided that such disclosure results acts of the proprietor or from abuse by a third party.

So, if one wants to summarise the essentials of novelty or originality of registrable designs according to Pakistan's Design Law regime, following are the essentials one should keep in mind:

- A registrable design has to significantly differ from known designs,
- A registrable design should not have been previously published anywhere in the world, where the

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outside Pakistan the case of *Universal Brushwares (Private) Limited v Syed Industries*<sup>4</sup> serves as the precedent wherein one of the issues was whether a design that has been imitated from abroad is new or original. The High Court held that 'A person, who has imitated a design from abroad, has no right to have a claim over it even if he gets it registered in Pakistan, because it is neither new nor original.'

## Grace period on confidential disclosures

Section 3 of RDO '00 provides that for the purposes of novelty, any disclosure to the public of the industrial design shall not be taken into consideration if it occurred within twelve months preceding the filing date or, where applicable,

word 'published' includes publication in newspapers but does not include publication resulting from confidential disclosures or abuse by third party within 12 months earlier to application.

- A registrable design shall not be a design imitated from abroad.

## Excluded subject matter

Section 2 (e) of RDO '00 excludes certain features from the definition of a design under the ordinance. Like a method or principle of construction; or features that are dictated solely technical or functional considerations.<sup>5</sup> The excluded subject matter has been noted only once in any case before the Court in Pakistan in *Universal Brushware's Case*<sup>6</sup> wherein the functionality of a design was also

considered by the High Court that gave the ruling that 'it is not the design of the shape of the plaintiff's brush which the defendants have imitated, but it is the setting of the bristles of the brush, which is the functional part of the plaintiff's brush which resembles the defendants brush and, therefore, also the plaintiff has no cause of action against it.'

## First to file principle

Section 2 (h) of the RDO '00 also provides that when a design has been simultaneously created by two or more persons independently of each other then the person whose application for registration has the earliest filing date shall be entitled to have such industrial design registered in his name.

## Rights consequent to registration

RDO '00 leaves us with ambiguity as to rights after registration of a design as to whether such rights can only be exercised to prevent the use of such registered designs for commercial purposes or not. This is because Section 7 (2) says that the owner of a registered design shall have the right to prohibit making, selling or working for commercial purposes of the articles bearing such registered design without his consent. However, section 2 (d) says that a registered design right is a right to prevent third parties from applying such design to an article and from making, importing, selling, hiring or offering for sale or hire any article bearing such registered design or a design not substantially different from such registered design, except with the license or written consent of the registered proprietor.

## Remedies for Infringement

Section 8 of RDO '00 provides that a suit for the recovery of damages and for the injunction may be instituted to stop a continuing infringement. The same section also provides that damages shall not be awarded against an innocent infringer who proved that at the date of infringement he was not aware of the registered design right of the owner.

For the grant of a temporary injunction the registered proprietor must show that he has a prima facie case and that his design is valid and that the defendant has infringed it. However in the very first reported case of *Karachi*

*Textile Works v Multan Handloom Factory*<sup>7</sup> the Court refused to grant temporary injunction to the proprietor of the design because of doubts regarding novelty of a recently registered design and held that 'In the present case ..... the monopoly is a very recent one, the registration having taken place in September and the infringement of the same, if it can be said to be an infringe-

reparable loss and held that 'If the injunction is refused, but the defendants are ordered to maintain full and complete account of the business and disclose the profits earned, the plaintiff can be compensated to the extent of the profits made by the defendants during the period that the suit is pending. But the same position is not possible if injunction is issued and the plaintiffs

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ment, took place in November of the same year. Moreover, I may also mention that there is no novelty in the designs that I have seen.' Further, the defendant (the allegedly infringing party) undertook to maintain and submit the account of the sales (of allegedly infringing products) in the Court.

The faulty reasoning of the *Karachi Textile Works Case*<sup>8</sup> was reversed in *Silver Cotton Textile Mills Ltd. v. Bawany Violin Textile Mills Ltd.*<sup>9</sup> Where the Court granted injunction maintaining that doubts regarding validity of design are not an enough reason for refusal to the grant of temporary injunction and 'moreover, from the purely commercial point of view the value of design is greater in its early period of novelty than in the residuary period of its use when the initial impact of its novelty on the market has disappeared ... A recently registered design thus need to be protected no less jealously than a design which has a longer standing in the market.'

Similarly in *S. Muhammad Din & Sons v. Sh. Nabi Baksh & Sons*<sup>10</sup> the Court followed the reasoning in the *Silver Cotton's Case*<sup>11</sup> and held that the 'defence of invalidity of a registration of a design can be raised in a suit for infringement without applying for cancellation or rectification, is inapplicable to suits filed in Pakistan'.

In *Tajuddin v Mushtaque*<sup>12</sup> the Court, without reference to any anti-monopoly statute, refused to grant temporary injunction because it concluded that the plaintiff (of course, the proprietor of the registered design) will not suffer ir-

enjoy a complete monopoly in the market to the fullest measure at the exclusion of every one else. Their suit may be dismissed. But the defendants would not be recouped for or compensated for the losses they would suffer all these years. Thus, the plaintiff would suffer a repairable and the defendants an irreparable injury on the situation created by issuance or non-issuance of a prohibitory injunction.' Further, 'the chances of an unscrupulous applicant in the trade making an application for registration of the popular design which is neither new nor original can not be completely ruled out' and that an 'ex parte registration loses its impact and the initial advantage ... as soon as the plea regarding its validity is raised in defence.' ... 'because all guarantees offered to a holder of a copyright (in design) are subject to the main condition that those rights are not acquired through questionable means and are in full compliance of the requirement of law. So long as this remains debatable, the plaintiff cannot be allowed to stand on a higher footing on the basis of the copyright (in design), than the defendant who challenges the very foundation and questions the validity of registration itself.'

Lack of novelty has been the reason in refusal of the High Court to grant injunction in the case of *Maniar Industries' Case*<sup>13</sup> and *Universal Brushware's Case*<sup>14</sup>.

In *Select Sports A. S. Company v Tempo Enterprises*<sup>15</sup> it was held by the High Court that registration of a design is sufficient to establish infringement of owner's rights in such registered design and in *Gorey International v Colgate-*

*Palmolive (Pakistan) Ltd*<sup>16</sup> the High Court did not find any infringement of plaintiff's designs because the defendant was having an earlier registration for the same design.

## Forums for remedies

RDO '00 is silent as to the forum where infringement proceedings may be initiated, but, this issue was dealt with under the earlier statute (PDA '11) in the case of *Bawany Violin Textile Mills Ltd. v. Firdos Calico Printing Mills*<sup>17</sup> where the Court ruled that a suit for infringement of a registered design lies before a Court of a District Judge.<sup>18</sup>

tion of the same before the Controller of Designs. However, in *Silver Cotton Case*<sup>20</sup> the Court over-ruled the *Karachi Textile Works' Case*<sup>21</sup> and held that a design can not be challenged in infringement proceedings for the first time, without applying (earlier in time) for cancellation of the same before the Controller of Designs.

In *S. Muhammad Din's Case*<sup>22</sup> the Court followed the reasoning in the *Silver Cotton's Case*<sup>23</sup>. In *Shahnawaz Ltd. v. Khawaja Auto Cars Ltd.*<sup>24</sup> It was held that the validity of a registered design could not be challenged by invoking the review jurisdiction of the High Court.

Section 10 of RDO '00 has ended the

was held that the penal provisions affecting counterfeit/false trademarks could not be invoked to stop infringement of registered design. Moreover, proceedings for cancellation of registered design and a suit for infringement was already pending adjudication.

## Monopoly and design law

The monopoly aspect of any intellectual property right was adjudicated for the first time in respect of a registered design right in *Tajuddin's case*<sup>25</sup>, where, as already mentioned, the Court refused injunction for infringement of a registered design right because in the opinion of the Court an injunction would have led to a complete monopoly in the market on the basis of such registered design right.<sup>27</sup>

## In Tajuddin's case... the Court refused injunction for infringement of a registered design right because in the opinion of the Court an injunction would have led to a complete monopoly in the market

## Compliance of TRIPs Agreement

RDO '00 is said to have incorporated the covenants under articles 25 and 26 of the TRIPs Agreement in respect of industrial designs. Before we analyse the compliance of RDO '00 with the TRIPs Agreement it is appropriate to describe the compulsory and optional obligations on a convention country as provides in articles 25 and 26 of TRIPs Agreement.

The compulsory covenants of TRIPs Agreement on industrial designs are as follows:

1. Registered designs will be individually created.<sup>28</sup>
2. Registered designs will be new and original.<sup>29</sup>
3. Registered designs will be protected for at least ten years.<sup>30</sup>
4. Registered designs will be infringed by unauthorised copying (where copying includes substantial copying) on articles which are made, sold and imported for commercial purposes.<sup>31</sup>
5. Textile designs will be registered cheaply, speedily and conveniently.<sup>32</sup>

The optional covenants of TRIPs Agreement on industrial designs are as follows:

1. Designs may not be new or original if they do not significantly differ from known designs.<sup>33</sup>
2. Registered designs may not be essentially technical or functional.<sup>34</sup>

## Ownership

As regards ownership of the design are concerned, section 2 (h) of the RDO '00 provides that the proprietor of the design will be the person for whom the author or creator of the design executes the work (of design) for good consideration. The same section also provides for joint ownership of the design and the transfer of the registered design right by assignment, operation of law and succession.

## Duration for registration

The duration of a registered design right as per section 7 of RDO '00 is a total of thirty years which includes an initial registration period of 10 years and two renewals thereafter for ten years each.

## Challenge to validity, at what stage?

This has always been controversy in the earlier design law regime, whereby, in *Karachi Textile Works Case*<sup>19</sup> the Court held that the validity of a design can be challenged in infringement proceedings in Court for the first time, without applying (earlier in time) for cancella-

controversy under the earlier regime by providing that cancellation of registered design can be sought before the High Court at any time after the registration; and before the registrar of design within two years of registration, but, such cancellation can only be done on the basis of non-fulfilment of substantive requirements under RDO '00, design being contrary to public order or morality or the proprietor being not entitled to right of registration. The same section also provides for an appeal against the order of the Registrar if a cancellation is sought initially before the Registrar.

## Penal Remedies

Representing or marking as design as registered when in reality it is not or registration of such design has expired amounts to an offence as per section 29 of RDO '00 and the same is punishable with a nominal fine only. However, one gentleman suffered criminal prosecution, (believe it or not) under the penal provisions of trademark law, for alleged infringement of a design. Fortunately, the High Court quashed such criminal proceedings as reported in *Muhammad Rafiq v. State*<sup>25</sup>, whereby, it

3. Textile designs may be protected by copyright law.<sup>35</sup>
4. Design right exceptions may not conflict with normal exploitation thereof.<sup>36</sup>
5. Design right exceptions will not unreasonably impair the legitimate interests of right owners.<sup>37</sup>

The provisions of RDO '00 that comply with the above-narrated first four compulsory obligations are:

1. Section 2 (h): "proprietor or creator of design means ..... the author or creator of the design".
2. Section 3 (2): "..... design shall not be registered unless it is new or original ....."
3. Section 7 (1 & 3): "The registration of a design under this Ordinance shall give to the registered proprietor the registration in the registered design for a period of ten years from the date of registration." ..... "The registrar shall extend the period of registration for a second period of ten years from the expiration of the original period and for a third period of ten years from the expiration of the second period ....."
4. Section 7 (2): "The owner of a registered design shall have the right to exclude third parties, not having his consent, front making, selling or

written consent of the registered proprietor".

The provisions of RDO '00 that comply with the above-narrated first two optional obligations are:

1. Section 3 (2) (Explanation): "Designs are not new or original if they do not significantly differ from known designs or combination of design features."
2. Section 12 of RDO '00 provides that to claim priority on the basis of TRIPs agreement an application for registration must be filed within six months of the first application in any member country. Further, that a registration based on such first application shall not constitute a publication for the purposes of Pakistani law when the priority is claimed.

### Conclusion

Though no case has yet been reported under the new design regime, however, the issue of novelty especially with respect to the prior publication of the design will again be taken up sooner or later, given the new standards in RDO '00. It also remains to be seen as to how the infringement of a registered design shall be protected under the new regime of RDO '00, be-

*member of the Information Technology Law Forum and one of the co-authors of the electronic transactions forthcoming law.*

- 1 For the text of the Registered Designs Ordinance, 2000, see appendix I to this article
- 2 1987 CLC 135 (where CLC stands for Civil Law Cases, a law digest published by PLD Publishers Lahore, Pakistan)
- 3 1987 CLC 469
- 4 1991 CLC 382
- 5 This is in slight contrast from the earlier design law wherein the excluded subject matter was: (1) Any mode or principle of construction, (2) Anything which in substance is a mechanical device, and (3) A trademark.
- 6 See footnote No. 4 above
- 7 PLD 1955 Sind 351 (where PLD stands for All Pakistan Legal Decisions, a law digest published by PLD Publishers, Lahore, Pakistan)
- 8 See footnote No. 7 above
- 9 PLD 1963 Karachi 79
- 10 PLJ 1974 Lahore 58 (where PLJ stands for Pakistan Law Journal, a law digest published by Punjab Bar Council, Lahore, Pakistan)
- 11 See footnote No. 9 above
- 12 1985 CLC 2182
- 13 See footnote No. 2 above
- 14 See footnote No. 4 above
- 15 PLD 1998 Lahore 69
- 16 2000 MLD 8 (where MLD stands for Monthly Law Digest, a law digest published by PLD Publishers, Lahore, Pakistan)
- 17 PLD 1959 Lahore 522
- 18 The situation is true for the entire Pakistan with the exception of the city of Karachi where a suit for infringement of design is instituted in the High court when damages valued more than Rs. 3,000,000/- are also sought.
- 19 See footnote No. 7 above
- 20 See footnote No. 9 above
- 21 See footnote No. 7 above
- 22 See footnote No. 10 above
- 23 See footnote No. 9 above
- 24 PLD 1979 Karachi 38
- 25 PLD 1986 Lahore 107
- 26 See footnote No. 12 above
- 27 Though there is a Monopoly and Restrictive Trade Practices (Control & Prevention) Ordinance, 1970, in force in Pakistan, but, the same has not been adjudicated upon by any Court in the context of intellectual property rights.
- 28 Article 25 (1), TRIPs Agreement, 1994
- 29 ibid
- 30 Article 26 (3), TRIPs Agreement, 1994
- 31 Article 26 (1), TRIPs Agreement, 1994
- 32 Article 25 (2), TRIPs Agreement, 1994
- 33 Article 25 (1), TRIPs Agreement, 1994
- 34 ibid
- 35 Article 25 (2), TRIPs Agreement, 1994
- 36 Article 26 (2), TRIPs Agreement, 1994
- 37 ibid

## the RDO '00 sufficiently complies with articles 25 and 26 of the TRIPs Agreement, but, has no specific provisions on textile designs

working articles bearing or embodying a design which is a copy of the registered design when such acts are undertaken for commercial purposes."; Section 2 (d): "registration of design means the right to prevent third parties from applying a design to an article and from making, importing, selling, hiring, or offering for sale or hire any article in respect of which a design is registered, being an article to which the registered design or a design not substantially different from the registered design has been applied, and from making anything enabling such article to be made as aforesaid, except with the license or

cause, under the old design law the right owners had not been much successful in even at the stage of interim stay in the cases where only tentative assessment of the rights and liabilities has to be considered. Under the new regime the challenge to validity of a registered design can be sought at any stage and before the Registrar as well as the High Court. Lastly, the RDO '00 sufficiently complies with articles 25 and 26 of the TRIPs Agreement, but, has no specific provisions on textile designs.

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The author is a partner with Khalid Daudpota & Co., Karachi. He is also a