



Harmonising Copyright and Design Law: The Apex Court's Clarificatory Ruling in 2025

Crux of the dispute:

In the case of Cryogas Equipment Private Limited v. Inox India Limited & Ors. (Neutral Citation: 2025 INSC 483), a dispute arose between Inox India Ltd. and Cryogas Equipment Pvt. Ltd. over alleged infringement of copyright in engineering drawings related to LNG (liquefied natural gas) storage and distribution systems.

At the heart of the matter was Section 15(2) of the Copyright Act, 1957 ("**Copyright Act**") which limits copyright protection for designs that remain unregistered and are industrially reproduced over fifty times. While Inox claimed that the engineering drawings were "artistic works" under the Copyright Act, the Cryogas argued that the same were unregistered designs and therefore, not within the purview of copyright infringement action or claim.

Determination of overlap between copyright and design:

To resolve the legal complexity regarding determining whether a work or article is falling under Section 15(2) of the Copyright Act, the Court laid out a two-step test:

- i. Interpretation of Section 15(2) of the Copyright Act: Firstly, if it is purely an 'artistic work' entitled to protection under the Copyright Act, or it is a 'design' *derived* from such an original artistic work and has undergone an industrial process as stated under Section 15(2) of the Copyright Act.
- ii. Examination of 'functional' utility of the work: If the disputed work does not qualify for copyright protection, then its functional utility has to be determined – if its dominant purpose is function over aesthetic, the Design Act, 2000 ("**Design Act**") would not come into the picture. For the Design Act to be applicable, the aesthetic appeal of the work must be ascertained.

The Supreme Court's Decision:

The Supreme Court stated that the legislative frameworks of the Copyright Act and the Design Act reflect a clear intent to create harmony between these two statutes. It further said that while an artistic work may initially qualify for protection under the Copyright Act, its adaptation into a design for industrial or commercial application is likely to invoke the limitations set out under Section 15(2) of the Copyright Act. In such cases, legal protection may only be availed under the Designs Act, subject to formal registration.

It was further held that an artistic work does not automatically lose copyright protection solely because a derivative design has been applied to an industrial product. The term 'artistic work' encompasses a broad range of expressions, whereas the scope of 'design' is more narrowly defined to include visual characteristics such as shape, configuration, pattern, ornamentation, or the composition of lines and colors. These features, when applied through an industrial process to produce an article that is visually appealing, fall within the meaning of 'design' under the Designs Act.

The Apex Court also emphasized that the determination of protection cannot be made on the assumption that a work not qualifying as an 'artistic work' under the Copyright Act will necessarily be eligible for protection under the Designs Act. Protection under the Designs Act is neither automatic nor indefinite; it



is conditional upon meeting specific statutory requirements. The Apex Court went on to say that courts need to make a nuanced, case-specific inquiry in matters involving the intersection of copyright and design law to ensure that the statutory objectives of both regimes are duly respected and applied in a consistent manner.

The Supreme Court, in the present matter, directed the Commercial Court (where this dispute was foremost instituted) to conduct a fresh trial to ascertain the true nature of the disputed proprietary engineering drawings, applying the two-pronged test laid out herein.

Relevant judgements relied upon:

The Supreme Court, to come to the above conclusion, relied on the Delhi High Court's judgement in the case of *Microfibres Inc v. Girdhar and Co.*, [2009 SCC OnLine Del 1647], where the High Court decided as under:

- "e. A perusal of the Copyright Act and the Designs Act and indeed the Preamble and the Statement of Objects and Reasons of the Designs Act makes it clear that the legislative intent was to grant a higher protection to pure original artistic works such as paintings, sculptures etc and lesser protection to design activity which is commercial in nature. The legislative intent is, thus, clear that the protection accorded to a work which is commercial in nature is lesser than and not to be equated with the protection granted to a work of pure art.*
- f. The original paintings/artistic works which may be used to industrially produce the designed article would continue to fall within the meaning of the artistic work defined under Section 2(c) of the Copyright Act, 1957 and would be entitled to the full period of copyright protection as evident from the definition of the design under Section 2(d) of the Designs Act. However, the intention of producing the artistic work is not relevant.*
- g. This is precisely why the Legislature not only limited the protection by mandating that the copyright shall cease under the Copyright Act in a registered design but in addition, also deprived copyright protection to designs capable of being registered under the Designs Act, but not so registered, as soon as the concerned design had been applied more than 50 times by industrial process by the owner of the copyright or his licensee.*
- h. In the original work of art, copyright would exist and the author/holder would continue enjoying the longer protection granted under the Copyright Act in respect of the original artistic work per se.*
- i. If the design is registered under the Designs Act, the Design would lose its copyright protection under the Copyright Act. If it is a design registrable under the Designs Act but has not so been registered, the Design would continue to enjoy copyright protection under the Act so long as the threshold limit of its application on an article by an industrial process for more than 50 times is reached. But once that limit is crossed, it would lose its copyright protection under the Copyright Act. This interpretation would harmonise the Copyright and the Designs Act in accordance with the legislative intent."*

The Supreme Court also relied on the judgement of the Bombay High Court in the case *Photoquip India Ltd. v. Delhi Photo Store*, [2014 SCC OnLine Bom 1088], where the High Court decided as under:

- "29. What is that to which Section 15(2) refers? It speaks only of a 'design', and not an 'artistic work'. It has no application to the latter, but only to the former. Section 2(d) of the Designs Act makes*



this plain, for it excludes from the definition of design all ‘artistic works’. Therefore, the Defendants’ argument must necessarily be that the Plaintiff’s drawings are not artistic works at all, but are designs. Following the Interlego decision, Mrs. Justice Dalvi held in Indiana Gratings that to be registrable under the Designs Act (even if not actually registered), the shape or configuration of the whole article is to be considered, for it is this of which a commercial monopoly is sought. The design and the article must, of necessity, be taken as a whole. If there is a part of it that is functional, that stands excluded from the definition of a design. The exclusionary intent extends only to that which has no appeal but describes or portrays purely functional features. If it does, it is not a ‘design’. It may then enjoy copyright as an ‘artistic work’. This inclusion under the Copyright Act is not to be confused, as regrettably Mr. Grover does, with the question of ‘visual appeal’ for the purposes of the Designs Act. As in Indiana Gratings, the present Plaintiff’s drawings are skilled diagrams that do not reflect any finished products, let alone a finished product of any ‘visual’ or aesthetic appeal. They only serve a functional purpose. They are not, therefore, designs.”