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CRYOGAS EQUIPMENT PVT. LTD. VS. INOX INDIA LTD. (2025)

- Garima Sharma

1. CASE CITATION AND BASIC INFORMATION

- Case Name: Cryogas Equipment Private Limited v. Inox India Limited and Others
- Citation: 2025 INSC 483
- Court: The Supreme Court of India
- Date of Judgment: 15 April 2025
- Bench: Surya Kant and Nongmeikapam Kotiswar Singh, JJ. (Author: Surya Kant, J.)

2. INTRODUCTION

The intersection between the Copyright Act, 1957, and the Designs Act, 2000, presents a persistent challenge in Indian Intellectual Property (IP) jurisprudence.¹ This issue typically arises when two-dimensional technical drawings are used to manufacture three-dimensional industrial products.² Under Section 15(2) of the Copyright Act, copyright in a design capable of registration under the Designs Act ceases if it is industrially reproduced more than fifty times without registration.³

Cryogas Equipment Private Limited v. Inox India Limited (2025) addresses whether a suit claiming copyright infringement of industrial engineering drawings can be summarily rejected at the threshold under Order VII Rule 11 of the Code of Civil Procedure, 1908 (CPC).⁴ The judgment holds immense significance as it clarifies the boundaries of Order VII Rule 11 CPC in IP disputes, formulates a unified **Two-Pronged Test** incorporating the **Functional Utility Test**, and harmonizes the statutory overlap between copyright and design protections in India.⁵

¹ Copyright Act, No. 14 of 1957, § 15 (India); Designs Act, No. 16 of 2000 (India).

² See *Microfibres Inc. v. Girdhar & Co.*, 2009 SCC OnLine Del 2804.

³ Copyright Act, No. 14 of 1957, § 15(2) (India).

⁴ *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483.

⁵ *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483.

3. FACTS OF THE CASE

The Parties: Inox India Limited (Respondent No. 1/Plaintiff) is a company that makes Cryogenic Storage Tanks and LNG Semi-Trailers. Cryogas Equipment Pvt. Ltd. and LNG Express India Pvt. Ltd.(Appellants/Defendants) are companies that compete with Inox.⁶

Origin of Dispute (2018): Inox filed a Trademark Suit No. 3/2019 in the Commercial Court at Vadodara against the Appellants. Inox claimed that the Appellants had infringed two different types of copyright:

1. Proprietary Engineering Drawings (2D technical designs of cryogenic semi-trailers, which are considered 'Artistic Works' under Section 2(c) of the Copyright Act).

2. Literary Works (text descriptions, process specifications, and quality plans created by Inox employees).

3. Inox also accused the Appellants of stealing trade secrets and misappropriating confidential information.⁷

Order VII Rule 11 CPC Application: LNG Express applied under Order VII Rule 11 of the Code of Civil Procedure to have Inox's plaint rejected.

They argued that Inox's drawings were 'designs' under Section 2(d) of the Designs Act, 2000. Since Inox generated over ₹122 crores in revenue and had manufactured more than fifty semi-trailers using the drawings, Inox's copyright protection had expired under Section 15(2) of the Copyright Act, which would mean the lawsuit was not legally valid.⁸

Procedural History:

- **01.04.2022:** The Commercial Court approved the Order VII Rule 11 application and rejected Inox's suit.
- **13.03.2024:** The High Court of Gujarat overturned the rejection and sent the case back for a new decision.
- **03.05.2024:** The Commercial Court again approved the Order VII Rule 11 application and rejected the suit.

⁶ *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶¶ 2–4 [<https://indiankanoon.org/doc/170672552/>].

⁷ Copyright Act, No. 14 of 1957, §§ 2(c), 2(o) (India); *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶¶ 8–12.

⁸ Code of Civil Procedure, No. 5 of 1908, Or. VII r. 11 (India); Copyright Act, No. 14 of 1957, § 15(2) (India); Designs Act, No. 16 of 2000, § 2(d) (India); *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶¶ 13–20.

- **22.10.2024:** The High Court of Gujarat again reversed the Commercial Court's order and restored the suit, along with the interim injunction request.

The Appellants then appealed this decision to the Supreme Court.⁹

4. LEGAL ISSUES

1.What are the legal standards for determining whether a work is excluded from copyright protection under Section 15(2) of the Copyright Act, 1957, and thus considered a 'design' under Section 2(d) of the Designs Act, 2000?

2.Did the High Court make a mistake in overturning the Commercial Court's order and rejecting the Order VII Rule 11 application?

5. ARGUMENTS PRESENTED

5.1 Appellant's Arguments

- Bar under Section 15(2): The engineering drawings were capable of registration under the Designs Act (Class 12-10).Since Inox had produced over fifty semi-trailers, which is shown by its revenue of over ₹122 crores, the copyright in the drawings had expired.¹⁰
- Evasive Drafting: Inox intentionally did not state the exact number of semi-trailers produced to avoid the application of Section 15(2).¹¹
- Pure Question of Law: The question of whether the drawings lost copyright protection is a legal question that can be decided based on a preliminary reading of the plaint without requiring a full trial.¹²
- Confidential Information: Claims about trade secrets were seen as a way to avoid the legal limitations of design protection and were not maintainable in a Commercial Court.¹³

5.2 Respondent's Arguments

⁹ *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶¶ 21–35

¹⁰ *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶ 5(c)–(d) [<https://indiankanoon.org/doc/170672552/>]; Designs Act, No. 16 of 2000, § 2(d) (India); Copyright Act, No. 14 of 1957, § 15(2) (India).

¹¹ *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶ 5(f) (citing *Shri Mukund Bhavan Trust v. Shrimant Chhatrapati Udayan Raje Pratapsinh Bhonsle*, (2024) 2024 SCC OnLine SC 3844).

¹² Code of Civil Procedure, No. 5 of 1908, Or. VII r. 11 (India); *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483,5(h)

¹³ *Id.* ¶ 5(i); Copyright Act, No. 14 of 1957, § 62(2) (India)

- **Distinct Rights Claimed:** The plaint included claims for independent rights in Artistic Works (drawings), Literary Works (process sheets), and Confidential Information. Therefore, the Order VII Rule 11 cannot be used to reject the plaint partially.¹⁴
- **Functional Exception:** The drawings related to internal parts of the vessels that were determined by mechanical needs and did not have visual appeal. Section 2(d) of the Designs Act excludes purely functional or mechanical devices from being classified as 'designs'.¹⁵
- **Mixed Question of Law and Fact:** Whether a work is a 'design' or an 'artistic work', and whether it crossed the 50-reproduction threshold, requires detailed evidence and must be decided through a full trial.¹⁶

6. COURT'S REASONING AND ANALYSIS

The Supreme Court split its analysis into two main areas:

6.1 Framework for Section 15(2) & the Two-Pronged Test

The Court looked at past domestic cases (Microfibres, Smithkline Beecham, Mattel), US laws (Star Athletica), and international agreements (TRIPS Art.25/26, Berne Convention) to resolve the overlap between copyright and design laws.¹⁷ The Court then established a Two-Pronged Test:

1.Primary Nature Test: Determine if the work is purely an 'artistic work' under Section 2(c) of the Copyright Act, or is a 'design' that has been used industrially on an article more than 50 times (triggering Section 15(2)).¹⁸

2.Functional Utility Test: If copyright protection is not applicable, check the main purpose of the article. If the shape or structure is purely for function and not for visual appeal, it is not protected under the Designs Act. The Designs Act is for features that are visually appealing and can be judged by sight alone.¹⁹

6.2 Analysis on Order VII Rule 11 CPC

¹⁴ *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶ 6(a), (e); Code Civ. Proc., No. 5 of 1908, Or. VII r. 11 (India).

¹⁵ *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶ 6(b); Designs Act, No. 16 of 2000, § 2(d) (India); Copyright Act, No. 14 of 1957, § 2(c) (India).

¹⁶ *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶ 6(f)

¹⁷ *Microfibres Inc. v. Girdhar & Co.*, 2009 SCC OnLine Del 1647; *Smithkline Beecham Plc v. Hindustan Lever Ltd.*, 1999 SCC OnLine Del 965; *Mattel, Inc. v. Jayant Agarwalla*, 2008 SCC OnLine Del 1061.

¹⁸ Copyright Act, No. 14 of 1957, §§ 2(c), 15(2) (India); *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶¶ 40–45

¹⁹ Designs Act, No. 16 of 2000, § 2(d) (India); *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶¶ 46–53.

The Court ruled that the Commercial Court had made a serious mistake in rejecting the plaint at the beginning:

- **Mixed Question of Law and Fact:** It is not possible to determine whether the drawings qualify as 'designs', have visual appeal, or have been reproduced more than 50 times simply by reading the plaint briefly.²⁰
- **Rule Against Partial Rejection:** A plaint cannot be partially rejected under Order VII Rule 11 CPC.²¹

Even if the copyright claim against the drawings was debatable, the claims about Literary Works and Confidential Information constituted separate legal reasons that required a full trial.

7. JUDGMENT AND RATIO DECIDENDI

Final Order

The Supreme Court dismissed the Civil Appeals and supported the High Court's decision to restore the suit. The Court directed the Commercial Court to decide the interim injunction request within two months. The Court also told the Commercial Court to complete the full trial using the new test within one year.²²

Ratio Decidendi

Whether an artistic work loses copyright protection under Section 15(2) of the Copyright Act, 1957, because it is considered a 'design capable of being registered' under the Designs Act, 2000, is a question that involves both legal and factual considerations and therefore requires a full trial.

In addition, an application under Order VII Rule 11 of the Code of Civil Procedure cannot be used to dismiss part of a plaint that includes multiple distinct causes of action.²³

8. CRITICAL ANALYSIS

8.1 Significance

²⁰*Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶ 58.

²¹ Code Civ. Proc., No. 5 of 1908, Or. VII r. 11 (India); *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶¶ 59–60 (citing *Madhav Prasad Aggarwal v. Indian Overseas Bank*, (2019) 8 SCC 321).

²² *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, Conclusion/Operative Directions, ¶¶ 62,63,64.

²³ Copyright Act, No. 14 of 1957, § 15(2) (India); Designs Act, No. 16 of 2000, § 2(d) (India); Code Civ. Proc., No. 5 of 1908, Or. VII r. 11 (India); *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶¶ 58, 60.

This ruling addresses a long-standing ambiguity in Indian laws on the overlap of intellectual property rights in industrial manufacturing.

By formally approving the Functional Utility Test alongside Section 15(2), the Supreme Court provides clear guidance to trial courts handling industrial IP claims.²⁴

8.2 Implications and Impact

- Pleading Practice: Litigants cannot use Order VII Rule 11 CPC to delay complex IP cases before a trial.
- Protection for Technical Drawings: Technical drawings that are purely functional and lack visual appeal will remain protected under Copyright law if they serve as mechanical blueprints.²⁵

8.3 Critical Evaluation

The judgment carefully balances the need to protect creators with the freedom of commercial competition.

It prevents competitors from easily dismissing copyright claims at the beginning, while ensuring that genuine industrial designs cannot claim unlimited copyright protection without a full trial.²⁶

9. CONCLUSION

Cryogas Equipment v. Inox India (2025) is a significant decision in Indian IP law. By establishing a structured Two-Pronged Test and reinforcing the rule against partially rejecting complaints under Order VII Rule 11 CPC, the Supreme Court has improved the process of resolving complex copyright-design disputes while protecting trade secrets and technical documents.²⁷

10. REFERENCES

- **Statutes:**

1. The Code of Civil Procedure, 1908, No. 5, Acts of Parliament, 1908 (India).
2. The Copyright Act, 1957, No. 14, Acts of Parliament, 1957 (India).

²⁴ *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483, ¶¶ 40–53 [<https://indiankanoon.org/doc/170672552/>]; Copyright Act, No. 14 of 1957, § 15(2) (India).

²⁵ Code Civ. Proc., No. 5 of 1908, Or. VII r. 11 (India); *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶¶ 58, 60.

²⁶ Designs Act, No. 16 of 2000, § 2(d) (India); Copyright Act, No. 14 of 1957, § 2(c) (India); *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶¶ 46–50.

²⁷ *Cryogas Equip. Pvt. Ltd.*, 2025 INSC 483, ¶¶ 53, 60 [<https://indiankanoon.org/doc/170672552/>]; Code Civ. Proc., No. 5 of 1908, Or. VII r. 11 (India).

3. The Designs Act, 2000, No. 16, Acts of Parliament, 2000 (India).

- **Cases:**

1. *Cryogas Equip. Pvt. Ltd. v. Inox India Ltd.*, 2025 INSC 483.
2. *Microfibres Inc. v. Girdhar & Co.*, 2009 SCC OnLine Del 1647.
3. *Smithkline Beecham Plc. v. Hindustan Lever Ltd.*, 1999 SCC OnLine Del 965.
4. *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017).

- **International Treaties:**

1. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, 1869 U.N.T.S. 299.