

Hindustan Unilever Limited vs Reckitt Benckiser (India) Private ... on 6 December, 2021

Author: Vipin Sanghi

Bench: Vipin Sanghi, Jasmeet Singh

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ FAO(OS) (COMM) 157/2021

HINDUSTAN UNILEVER LIMITED

..... Appellan

Through: Mr. Amit Sibal, Senior Advocate

Mr. Ankur Sangal, Mr. Nishad

Nadkarni, Ms. Pragya Mishra,

Ms.Trisha Nag, Mr. Rishabh Sharm

Mr. Saksham Dhingra

Mr.Aishwary Vikram, Advocates.

versus

RECKITT BENCKISER (INDIA)

PRIVATE LIMITED

..... Respondent

Through: Mr. Chander Lall, Senior Advocate

with Ms. Nancy Roy, Mr. Jawahar

Lal, Ms. Ananya Chug, Ms. Prakrit

Varshney & Ms. Payal Kalhan,

Advocates.

CORAM:

HON'BLE MR. JUSTICE VIPIN SANGHI

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% 06.12.2021

1. Learned counsel for the caveator puts in appearance.

2. Accordingly, the caveat stands discharged.

C.M. Nos.42979-42980/2021

3. Exemptions allowed, subject to all just exceptions.

4. The applications stand disposed of.

FAO(OS) (COMM) 157/2021 and C.M. No.42978/2021

5. Issue notice. Ms. Nancy Roy, learned counsel, accepts notice on behalf of the respondent.

6. Since the respondent has appeared, we have heard the learned counsels at substantial length. The hearing has gone on today for about 01 hour and 30 minutes on both sides. Even before we proceed to pass an order in the interim application preferred by the appellant, who seeks stay of the operation of the impugned order, we wish to observe that particularly in matters relating to Intellectual Property Rights, our experience has been that the matters are very vociferously contested and on the first date when the appeal is listed, in case the Court is not inclined to interfere with the impugned order (which invariably is under Order 39 Rule 1 & 2 CPC), the learned counsel for the appellant who invariably is a senior counsel, presses for arguing the matter till the Court agrees with him or her. Similarly, when the Court is inclined to stay the operation of the impugned order or any part of it, counsel for the respondent would like to argue the matter till the cows come home. This cannot be permitted. Counsels should realise that the first date when the matter is listed, is the date for preliminary hearing, and the Court proceeds on a prima facie view of the matter. It is not a date for adjudication of the appeal on merits of the matter. We all have to be mindful of the fact that a large number of other matters are listed on the day when the appeal is listed for preliminary hearing. Just because senior counsels appear on either side - who are ready to fight till the last, they cannot take away Lion's share of the Court's time.

7. In our view, once we have heard the submissions at some length and perused the impugned order and other relevant documents, and appreciated the relevant law prima facie, and convey the course of actions that we propose to adopt, the counsels should relent. Unfortunately, that does not happen invariably. We implore the members of the Bar, particularly the Senior Counsels to keep the constraints of time of the court in mind and to cooperate with the Court with a greater sense of responsibility.

8. We may now proceed to take note of, in brief, the submissions of either side.

9. This appeal is directed against a part of the order dated 09.11.2021 passed by the learned Single Judge in I.A. No.8999/2021. The appellant/ defendant is aggrieved by that part of the order, whereby the learned Single Judge restrained the appellant/ defendant from publishing four advertisements on any forum. These four advertisements were identified as the second, third, fourth and fifth advertisements. A direction was issued to the appellant/ defendant to remove all references to the product of the plaintiff, i.e. „HARPIC or the bottle in question, which was held to be deceptively similar to the registered mark of the plaintiff.

10. The respondent/ plaintiff, inter alia, claimed registration of "the unique and distinctive bottle shape of the plaintiff's HARPIC branded products in India in class 1 and in class 5". The respondent/ plaintiff claimed to have 77.2% market share in value terms for toilet cleaners. The suit related to the following advertisements brought out by the appellant/defendant, who is a competitor in the field with its products being sold under the brand „DOMEX :

(a) A television commercial which was launched on 23.07.2021 was nomenclatured by the learned Single Judge as TVC-1. At this stage, we may note that the learned Single Judge had not granted an injunction in favour of the respondent/ plaintiff and the respondent/ plaintiff preferred a first appeal before us being FAO(OS)(COMM)

No.149/2021. Vide our order dated 01.12.2021, we have granted an injunction in favour of the respondent/ plaintiff herein in respect of the said television commercial.

(b) The second advertisement is also a television/ audio/ visual commercial, relevant portion of which is as follows:

The respondent/ plaintiff claimed that in the above advertisement, the HARPIC bottle is clearly identifiable and termed as an ordinary toilet cleaner.

(c) The third, a print advertisement, is as follows:

The plaintiff claimed that the above advertisement, once again, seeks to portray HARPIC as a cleaner of the toilet bowl which causes stench after use.

(d) The fourth advertisement is an audio visual advertisement. The relevant screenshot of the same is as follows:

(e) The fifth advertisement is an audio/ video advertisement. The relevant screenshot of the same is as follows:

11. The learned Single Judge granted injunction in favour of the respondent/ plaintiff in respect of the second, third, fourth and fifth advertisements aforesaid.

12. The submission of Mr. Sibal - learned senior counsel for the appellant

- in respect of the second, fourth and fifth advertisements, is that the appellant/ defendant had merely claimed that its product is able to remove odour from the toilet for up to 100 flushes, better than the ordinary toilet cleaners. In these advertisements, the appellant/ defendant had represented the ordinary toilet cleaners by display of a label-less toilet cleaner bottle. He submits that the shape of the toilet cleaner bottle is functional, and the respondent/ plaintiff cannot claim exclusive trade mark in the bottle shape since the respondent/ plaintiff had obtained composite registration of the bottle with the label. He submits that under Section 17, the exclusive right to use the mark - which consists of several matters, available to the registered owner is to "the use of the mark taken as a whole". He further submits that the appellant/ defendant had placed on record before the learned Single Judge, several other toilet cleaner bottles being used in the trade having similar shapes, and the respondent/ plaintiff had itself disclosed the market share of the competing brands, with their product trade dress as follows:

13. Mr. Sibal submits that the bottle depicted in the impugned advertisements by the appellant/ defendant is similar to the ones used in the trade, and the shape of the bottles is functional - so as to be able to reach the inner rim of the toilet for pouring the toilet cleaner.

14. The further submission of Mr. Sibal is that the appellant/ defendant had, in fact, placed before the learned Single Judge the toilet cleaner bottles of several brands, including that of the

respondent/ plaintiff which are as follows:

ROHELLA Signing Date:11.12.2021 18:30:18

15. Mr. Sibal submits that the learned Single Judge failed to appreciate that Section 17 was attracted in the facts of the present case. The labelless bottles depicted in the assailed advertisements - particularly the second, fourth and fifth advertisements, could not have been identified as that of the respondent/ plaintiff alone. Therefore, the comparison of the bottles depicted in the impugned advertisements, i.e. the second, fourth and fifth advertisements, with the device registration obtained by the respondent/ plaintiff was erroneous.

16. In support of his submission premised on Section 17 of the Trade Marks Act, he referred to the decision of a Division Bench of this Court in Vardhman Buildtech Pvt. Ltd & Ors. Vs. Vardhman Properties Ltd., FAO(OS) No.187/2016 decided on 17.08.2016, and particularly upon paragraph 8 of the said decision.

17. Mr. Sibal submits that in the advertisements in question, the appellant/ defendant did not rubbish the product of the respondent/ plaintiff. He referred to the judgment of the Division Bench of this Court in Colgate Palmolive Company and Anr. Vs. Hindustan Unilever Ltd., FAO (OS) No. 396/2013 decided on 10.12.2013, to submit that it is open to a party to exaggerate the claims relating to his goods and indulge in puffery, while it is not open for him to denigrate or discourage the goods of another. In the case of comparative advertisement, a certain amount of disparagement is implicit. If a person compares his goods, and claims that the same are better than that of the competitor, it tantamounts to a claim that the goods of the other are inferior, in comparison. To this limited extent, puffery in the context of comparative advertisement does not involve showing the competitor's goods in bad light. As long as the advertisement is limited only to puffing, there can be no actionable claim against the same.

18. Mr. Sibal submits that the balance of convenience is in favour of staying the operation of the impugned order qua advertisements second, third, fourth, and fifth. The suit came up before a learned Single Judge of this Court initially on 27.07.2021 - when no injunction was granted in respect of the advertisements in question. It was again listed on 28.07.2021 before another learned Single Judge, and once again, no injunction was granted. On 30.07.2021, only limited injunction was granted with respect to the print advertisements.

19. An appeal was preferred before the Division Bench by the respondent/ plaintiff, aggrieved by the non-grant of injunction, as prayed by the plaintiff. An appeal was preferred by the appellant/ defendant as well, to assail the order granting injunction in favour of the respondent/ plaintiff. The Division Bench did not grant the injunction, as prayed for by the respondent/ plaintiff, and remanded the matter back to the learned Single Judge. He submits that the advertisements in question have been in circulation since June 2021, and the injunction has been granted by the learned Single Judge only on 09.11.2021. Therefore, the balance of convenience was in favour of the appellant since the advertisements in question were being continuously aired since June 2021.

20. In relation to the print advertisement No.3 - which is numbered as third advertisement in the impugned order, the position is that the appellant has compared the product of the respondent/plaintiff with that of the appellant. The said print advertisement is as follows:

21. The reason for claiming that the appellant's toilet cleaner fights bad smell for longer is "BECAUSE DOMEX HAS THE REVOLUTIONARY FRESHGUARD TECHNOLOGY".

22. In support of its case, the appellant sought to place before the Court a certain report obtained by it from TUV Sud South Asia Pvt. Ltd. The said certificate of product testing reads as follows:

"Registration No: MUM/21/15 Test Period: 08/07/2021 to 12/07/2021 Report Issued on: 13/07/2021 CERTIFICATE OF PRODUCT TESTING Client: Hindustan Unilever Limited (HUL) Address: Unilever House, B. D. Sawant Marg, Chakala, Andheri(East), Mumbai- 400099 Test Method:

HUL SOP CSSOP24: Measurement of Water retention and Ammonia smell

1. Research Objectives:

Evaluate Domex Fresh Guard Ocean Fresh ("DOMEX") and Harpic Power Plus 10X Max Clean ("HARPIC") to check and assess whether

1. Domex fights malodour better than HARPIC during the use of the toilet; and

2. DOMEX fights malodour upto 100 flushes.

By accepting this document, the customer hereby agrees and accepts the "Terms and Conditions" and the relevant "Testing & Certification Regulations" of TUV SUD South Asia Pvt. Ltd. which are available at Company's website at the link - <https://www.tuvsud.com/en-in/terms-and-conditions>
Note:(1) The submitted samples were not drawn by the Laboratory. (2) The results relate only to the items tested, (3) The test report shall not be reproduced except in full without the written approval of the laboratory. (4) Any use of advertising purposes must be granted in writing. This technical report may only be quoted in full. This report is the result of a single examination of the object in question and is not generally applicable for the evaluation of the quality of other products in regular production. For further details, please see testing and certification regulation, chapter A-3.4.

Prepared by:
Sd-
Vaishali Gharat
Lab Supervisor

Review
Mukund Garge
Technical Man

23. In relation to the said advertisement, the learned Single Judge has granted injunction in favour of the respondent/ plaintiff, by observing that the claim made by the appellant/ defendant with

regard to its unique and patented technology is a matter of trial.

24. On the other hand, Mr. Lall submits that Mr. Sibal is not correct in seeking to invoke Section 17 of the Trade Marks Act. He submits that the respondent/ plaintiff has registered its bottle shape as a trademark. He submits that under the Trade Marks Rules, the respondent has submitted different outlines of its product which show that the registration of the device relates to the shape of the bottle.

25. He further submits that the other players in the field are very small players and that the respondent/ plaintiff is not obliged to chase such small players and merely because the respondent/ plaintiff had not initiated any action against other smaller players infringing its trade mark, that would not be a reason to dilute the registered trademark of the respondent/ plaintiff. The respondent/ plaintiff being the registered trademark holder is entitled to protection of its mark. A comparison of the registered device trademarks of the respondent/ plaintiff in class 1 and class 5, with that depicted on the appellant's advertisement numbered as second, fourth & fifth would show that they are deceptively similar to the shape of the bottle in the registered mark of the respondent/ plaintiff.

26. He further submits that the appellant has classified all other toilet cleaners as ordinary toilet cleaners on the basis that ordinary toilet cleaners "refers to toilet cleaners without water repellent technology". This would include the respondent's product as well. He submits that since the respondent/ plaintiff is a major market player having 77.20% market share for toilet cleaners, it is obvious that the appellant/ defendant is claiming that its product is better in preventing odour than the product of the respondent/ plaintiff.

27. He further submits that, even otherwise, the advertisements of the appellant tantamount to generic disparagement of all toilet cleaners which do not use the "FRESHGUARD TECHNOLOGY". In support, he has placed reliance on Hindustan Lever Ltd. Vs. Colgate Palmolive (I) Ltd. and Ors., AIR 1998 SC 526; Dabur India Limited Vs. Emami Limited, 2004 (75) DRJ 356; and, Dabur India Limited Vs. Colgate Palmolive India Limited, 2004 (77) DRJ 415.

28. As we have noticed hereinabove, the appeal is listed for preliminary hearing today. We are not expected to delve into all the issues raised in great detail, and to consider all the submissions and judgments relied upon by parties in detail at this stage. It would be impossible for the Court to function and deal with its Board, if the Court were to be expected to hear detailed submissions and consider them in the light of the several decisions relied upon by the parties on the day when the appeal is listed for preliminary hearing.

29. In our view, at this stage, it is sufficient for us to examine the matter at a preliminary stage, and to see whether the appellant has been able to prima-facie make out a case for ad interim stay of the impugned order, or any part thereof. We are, therefore, not inclined to delve into the submissions we have taken note of hereinabove in detail, or to consider the decisions relied upon by them in detail at this stage.

30. Having heard learned senior counsels, we are prima-facie of the view that there appears to be merit in the submission of Mr. Sibal that the device mark registration obtained by the respondent/ plaintiff is in respect of several matters, namely shape of bottle, label, colour of the bottle and colour of the cap. That being the position, prima-facie it appears to us that the learned Single Judge could not have picked up only the bottle shape depicted in the advertisements of the appellant/ defendant and compared the same with the bottle shape depicted in the device registration obtained by the respondent/ plaintiff.

31. We also find that the learned Single Judge has not dealt with the argument of the appellant/ defendant with regard to the use of similar bottle shape by several other players in the field. Merely because their market share may be less, some of these products come from well-known consumer goods players such as Dabur & Emami. The submission that the bottle shape is functional, prima facie, appears to be correct, looking to the similar shape of all the other bottles used in the trade.

32. The submission of Mr. Lall that there is no challenge to the registration of the trade marks obtained by the respondent/ plaintiff, by the appellant/ defendant is, therefore, not relevant since the respondent/ plaintiff, prima facie, cannot claim the exclusive right to use the bottle shape. The appellant/ defendant has not sought to depict the deceptively similar bottle as displayed in the registered mark of the respondent/ plaintiff. The bottle depicted does not have any label or colour, much less a label deceptively similar to that of the respondent/ plaintiff, or a colour combination deceptively similar to that of the respondent/ plaintiff. The second, fourth & fifth advertisements do not name the respondent/ plaintiff's products at all. Prima-facie, it appears to us that they only seek to puff up the product of the appellant/ defendant. Merely because the respondent/ plaintiff appears to be the dominant market player, it cannot be assumed that the bottle depicted in the second, fourth and fifth advertisements only relate to the product of the respondent/ plaintiff. The aspect of generic disparagement would be considered by the Court at the hearing of the appeal. We have to consider not only the decisions relied upon by Mr. Lall, but also the decision of a Division Bench of this Court in Dabur India Ltd. Vs. Colortek Meghalaya Pvt. Ltd. and Ors., FAO(OS) No.625/2009 decided on 02.02.2010, relied upon by Mr.Sibal.

33. Considering the fact that there was no injunction operating in respect of second, fourth and fifth advertisements since the filing of the suit till passing of the impugned order, we are inclined to stay the operation of the impugned order insofar, as, it relates to second, fourth and fifth advertisement.

34. At the same time, we prima-facie agree with the approach of the learned Single Judge insofar, as, the third advertisement is concerned. Reliance placed by Mr. Sibal on the report of TUV Sud South Asia Pvt. Ltd. needs to be tested at the trial. The certificate issued by the said entity itself puts the caveat that the submitted samples were not drawn by the laboratory. The results relate only to the items tested. The onus to establish the conduct of the said tests with the product of the respondent/ plaintiff, and the results emerging therefrom, falls on the appellant/ defendant. Prima-facie, it appears to us that to permit a party to rely upon such like reports, and on that basis, to issue advertisements which not only puff up the product of a party but also claim that the product of the named competitor is not as good, would work to the grave detriment of the party against whom such advertising is resorted to. If, eventually, the appellant/ defendant is not able to establish at the trial

its claim with regard to use of the technology adopted by it, and that the adoption of the said technology makes the product of the appellant/ defendant better than that of the respondent/ plaintiff, the respondent/ plaintiff would have suffered irreparable injury. We are, therefore, not inclined to stay the injunction granted in favour of the respondent/ plaintiff qua advertisement No.3.

35. We may revert to the first aspect taken note of by us in our present order. We dictated the first part of the order i.e. up to paragraph 8 above in Court, and with a view to save time, the remaining order was dictated in Chamber, which itself took substantial time. Due to our Board being blocked for nearly two hours, we could not call out a large number of other matters listed on our board today, despite our continuing to hold till 5:15 P.M.

36. The observations made by us hereinabove are purely tentative and shall not influence the mind of the Court at the hearing of the appeal, or the learned Single Judge while deciding the suit.

37. List on 16.03.2022.

VIPIN SANGHI, J JASMEET SINGH, J DECEMBER 06, 2021 B.S. Rohella