

Marico Limited vs Mr. Mukesh Kumar & Ors. on 27 August, 2018

Equivalent citations: AIRONLINE 2018 DEL 1322

Author: Manmohan

Bench: Manmohan

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 1569/2016

MARICO LIMITED

Through

..... Plaintiff

Mr.Chander M.Lall, Sr. Advocate
with Ms.Shikha Sachdeva,
Ms.Mugdha Palsule and Mr.Vivian
Mathur, Advocates.

versus

MR. MUKESH KUMAR & ORS. Defendants

Through Mr. Rajat Aneja, Advocate with
Mr. Jaspreet Singh Kapur,
Advocate and Ms Chandrika Gupta

Reserved on : 23rd July, 2018

Date of Decision: 27th August, 2018

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CORAM:

HON'BLE MR. JUSTICE MANMOHAN

JUDGMENT

MANMOHAN, J:

I.A. No.14758/2016

1. The case at hand illustrates what is well known amongst the intellectual property rights fraternity, "The most successful form of copying is to employ enough points of similarity to confuse the public with enough points of difference to confuse the courts. Few would be stupid enough to make exact copies of another's mark or symbol."[(See: Baker V. Master Printers Union of New Jersey, 47 USPQ 69 at 72 (D.N.J.1940)]

2. It is pertinent to mention that the present suit has been filed for permanent injunction restraining infringement of trade mark, rendition of accounts, etc. With

consent of the parties, I.A. No.14758/2016 was taken up for hearing and disposal. The prayer clause in the application is reproduced hereinbelow:-

"A. An ex parte and ad interim and interim injunction against the Defendants, their partners, principals, directors, officers, employees, agents, distributors, suppliers, affiliates, subsidiaries, franchisees, licensees, representatives, group companies and assigns restraining them from:

i. Manufacturing, or authorizing the manufacture distributing, exporting, selling, offering for sale, advertising, promoting, displaying and/or using, in any manner whatsoever, the impugned products namely EVEREST COCONUT OIL and/or EVEREST JASMINE HAIR OIL as represented in the foregoing paragraph Nos. 3 & 38, of the plaint and/or any other product bearing any other mark/label/trade dress/packaging deceptively and/or confusingly similar to the Plaintiff s registered trade marks/labels namely PARACHUTE (labels), FLAG DEVICE and/or PARACHUTE ADVANSED JASMINE (label) as tabulated under paragraph Nos 11, 14 and 25 of the plaint as a trade mark/label or part of a trade mark/label, trade name or a part of trade name, domain name or a part of domain name or in any other manner whatsoever, which would amount to infringement of the registered trade marks/labels of the Plaintiffs.

ii. Manufacturing, or authorizing the manufacture distributing, exporting, selling, offering for sale, advertising, promoting, displaying and/or using, in any manner whatsoever, the impugned products namely EVEREST COCONUT OIL and/or EVEREST JASMINE HAIR OIL and/or any other product bearing any other mark/label/trade dress/ packaging/bottle shapes/shape of jars deceptively and/or confusingly similar to the Plaintiff s trade dress/labels/packaging/bottle shapes for the brands PARACHUTE (labels), FLAG DEVICE, BROKEN COCONUT DEVICE, PARACHUTE BOTTLE, PARACHUTE JAR and/or PARACHUTE ADVANSED JASMINE (labels) as tabulated under paragraph Nos. 11, 12, 14, 18, 20, 25 and 26 of the plaint and/or variants and the unique/distinctive trade dress/bottle shapes/shape of jars relating thereto, thereby passing off their products as that of the Plaintiff.

iii. Reproducing, printing, publishing and/or using the labels/packaging as mentioned in paragraph Nos. 3 and 38 of the plaint and/or from imitating in material form the Plaintiffs labels/packaging, as represented in Paragraph Nos. 17, 18 and 26 of the plaint, the copyrights of which vest with the Plaintiff, thereby amounting to the infringement of the Plaintiff s copyrights in the said works.

B. The Defendants including principals, proprietor, partners, officers, employees, agents, distributors, suppliers, affiliates, subsidiaries, franchisees, licensees, representatives, group companies and assigns be ordered by an ad interim mandatory injunction directing that they at their own expense:

i. Recall all the impugned products and/or any marketing, promotional and advertising materials that bear or incorporate the impugned

mark/labels/packaging/trade dress/bottle shape, or any other mark/labels/packaging/trade dress/bottle shape deceptively and confusingly similar to the Plaintiff's mark/labels/packaging/trade dress/bottle shape, which has been manufactured and/or sold, distributed in the market, including online retail;

ii. Deliver to the Plaintiff for destruction of all the material including all packaging, bottle/jars moulds, brochures, business envelopes, letterheads, labels, cartons, publicity material such as pamphlets, hoardings, signboards, stationery etc. that bear or incorporate the impugned mark/labels/packaging/trade dress/bottle shape, or any other mark/labels/packaging/trade dress/bottle shape deceptively and confusingly similar to the Plaintiff's mark/labels/packaging/trade dress/ bottle shape; iii. Immediately remove all references of the impugned products from their websites www.everestcoconutoil.com and and/or any other website where the Defendants impugned products are sold, offered for sale, promoted and/or advertised;

iv. Disclose to the Plaintiff any other trade mark and/or copyright applications/registrations for the impugned label/mark/trade dress/packaging/ bottle shape or any other label/mark/trade dress/ packaging/bottle shape which is deceptively or confusingly similar to the Plaintiff's trade marks/ label/trade dress/packaging/bottle shape; C. Costs of the present application be awarded to the Plaintiff;

and D. Pass such further order/s which this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case and oblige."

RELEVANT FACTS

3. The relevant facts of the present case are that the plaintiff is a company engaged in the business of manufacture, distribution and sale of a wide range of products including oils, edible coconut oils, hair oils, beauty products and other personal care products.

4. It is stated in the plaint that the plaintiff's predecessor in interest being Bombay Oil Industries Limited adopted the trademark PARACHUTE in 1948 as well as the blue colour PARACHUTE label in 1974 and got the same registered on 27th June, 1980. The said label is reproduced hereinbelow:-

5. On 03rd January, 1983, the plaintiff became the registered owner of the aforesaid trade mark PARACHUTE (word) vide certificates bearing numbers 399592 & 399593 in Classes 3 and 29 of the Trade Marks Act, 1999, respectively.

6. In 1996-97, the plaintiff adopted the PARACHUTE flag device and has been continuously using the same since then. On 20th March, 1997, the plaintiff became the registered owner of the aforesaid PARACHUTE label with the flag and tree device

in Class 29 bearing numbers 737894 & 737893. The same is reproduced hereinbelow:-

7. The aforesaid registrations are valid and subsisting.

8. It is the case of the defendants that the defendants started using SHRI LAXMI BRAND label with its various elements i.e. blue colour bottles, dark blue colour inside the green border window, with the green coconut tree and white alphabets for its trademark in 1999 and applied for trademark registration of the said label, vide Application No.1018670 dated 20th June, 2001, claiming user since 01st January, 1999. The said label is reproduced hereinbelow:-

9. The Application No.1018670 was subsequently withdrawn by the defendants.

10. On 02nd August, 2001, the plaintiff obtained registration for the trademark PARACHUTE flag device bearing numbers 1033844 & 1033842 in Classes 29 & 3 respectively. The same is reproduced hereinbelow:-

11. In 2002, the plaintiff having acquired knowledge of the defendants' SHRI LAXMI oil brand issued a cease and desist notice to the defendants on 21st January, 2002, inter-alia protesting against the use of the offending trade dress. On 05th February, 2002, the defendants, through their attorneys, refused to comply with the requisitions contained in the plaintiff's notice.

12. Soon thereafter in 2002, the defendants filed a suit being Suit No.221 of 2002, before the Court of PRL, Junior Civil Judge, Hyderabad for perpetual injunction restraining the plaintiff from interfering in their business. However, the said suit was later dismissed in default.

13. On 19th August, 2003, the plaintiff obtained copyright registration for the PARACHUTE label bearing number A-64997/2003.

14. In 2004, the plaintiff replaced the Coconut Dream Circle with a broken coconut below the flag device in its PARACHUTE COCONUT Oil packaging. On 06th November, 2012, the plaintiff became the registered owner of the trade mark PARACHUTE flag device and the PARACHUTE flag and broken coconut device bearing numbers 2423238 and 2423236 in Class 29. The same is reproduced hereinbelow:-

15. In February 2000, the plaintiff commenced use of the PARACHUTE ADVANSED JASMINE Coconut Oil and on 25th February, 2000, and 14th August, 2000 obtained registrations for its PARACHUTE ADVANSED JASMINE label in Class 3 bearing numbers 906080 and 947770. On 11th November, 2005 the plaintiff got registered its trade mark PARACHUTE Jasmine device bearing number 1398440 in Class 3 and

on 25th August, 2011, its trade mark PARACHUTE JASMINE ADVANSED device bearing numbers 2195475 and 2195474 in Class 3 respectively. The aforesaid registrations are valid and subsisting. The respective registrations are reproduced hereinbelow:-

Registration No. 906080 Registration No. 947770 Registration No. 1398440
Registration No. 2195475 Registration No. 2195474

16. The defendants claim to have adopted the trade mark EVEREST in 2006 and on 28th July, 2006, they applied for registration of the same bearing application number 1474390 and had also filed an affidavit dated 12th August, 2008 before the Trade Marks Registry, claiming that they sell their EVEREST branded products throughout India. The said application had been opposed by the plaintiff. In 2007, the defendants claimed to have adopted the impugned EVEREST COCONUT Oil label.

17. On 01st June, 2009, the defendant no.3 obtained copyright registration for the impugned label bearing number A-85790/2009. The same is reproduced hereinbelow:

18. Subsequently in 2013 the plaintiff initiated criminal action against the defendants impugned EVEREST label. However, the same was unsuccessful on account of the defendants copyright registration of the impugned label.

19. On 26th October, 2016, the plaintiff initiated copyright cancellation proceeding before the Copyright Board against the defendants copyright registration for the impugned EVEREST label and the same is still pending.

20. On 16th September, 2013, the defendant no.3 applied for registration of the EVEREST EVERSTAR JASMINE Hair Oil label bearing number 2596694, which was subsequently abandoned on 30th March, 2016.

21. According to the plaintiff, as per the details available on the internet, the defendants' website www.everestcoconutoil.com was created on 08th February, 2016.

22. On 17th June, 2016, the plaintiff through its counsel sent the defendant no.1 a cease and desist notice, inter alia, requiring them to cease and desist from misusing the intellectual properties of the plaintiff.

On 04th July, 2016, the defendant no.1 sent a reply refusing to comply with the requisitions contained in the plaintiff's notice.

23. Subsequently, on 11th November, 2016, the plaintiff sent another notice to the defendant no.1 requesting details of sale of their products. However, the defendant no.1, vide his reply dated 26th November, 2016, instead of providing the information as requested by the plaintiff, requested

certain information from the plaintiff.

24. On 26th November, 2016, the present suit was filed.

ARGUMENTS ON BEHALF OF THE PLAINTIFF

25. Mr. Chander M. Lall, learned senior counsel for the plaintiff contended that the defendants had copied the plaintiff's product. Mr. Lall placed on record the following comparative chart highlighting the similarities between the plaintiff and defendants' products:-

Plaintiff		Defendant	
The Plaintiff markets its PARACHUTE Coconut Oil in similar		The Defendant had adopted the bottle sizes for its	

different bottle sizes being 100 EVEREST Coconut Oil (see para ML, 175ML, 200 ML, 250 ML, 38 of the plaint) 400 ML, 500 ML and 1 Litre (See para 20 of the plaint) The Plaintiff uses the Pantone The Defendant uses exactly the shade 285 C for its same shade of blue being 285 C for PARACHUTE Coconut Oil its EVEREST Coconut Oil bottle. bottle Indentations on the bottle cap Exact same indentations. When with a particular cap shape. cap left open, the cap shape is identical from all angles.

The round nozzle from where the The nozzle used is identical in oil is discharged has a particular dimensions, colour and every other shape and the same blue colour feature.

as the rest of the bottle.

Stylized „M“ embossed on top of A device almost identical to the the bottle cap. „M“ device embossed on top of the bottle cap.

Drop shaped indentation on the Tick sign indentation at the exact bottle just above the flag device. same spot on the bottle.

A flag device in a particular A flag device in the exact shade of shade of blue pantone and a blue with the exact shade of green particular shade of green pantone border. Exactly the same pantones as a border. have been used.

Flag device is uneven and has Flag device is uneven and wavy, wavy sides in a broadly though the waves have a slightly rectangular shape. deeper indentation.

® represents that the flag device Identical ® to represent that its flag is a registered trade mark. device is a registered trade mark when it is not.

An artistic representation of An almost identical coconut tree coconut tree device with 6 large device with 7 large leaves in the leaves in the same shade of exact same shade of green as the green as the border mentioned border mentioned above. above.

The coconut tree device The coconut tree device protrudes protrudes out of the borders of out of the borders of the flag at an the flag almost identical location to the label of the Plaintiff.

The trunk of the tree device cuts The trunk of the tree device cuts through the brand PARACHUTE through the brand EVEREST The brand is written in white The brand is written in white against a blue background against a blue background.

Below the flag device there is Below the flag device there is the the device of a broken coconut device of a broken coconut with with coconut water splashing out coconut water splashing out upwards. downwards.

The white square with a green The Defendant has represented this border and a green dot notification at an almost identical portraying that the product is place on the bottle. vegetarian is represented on the right bottom side of the flag device1.

"A premium quality 100% Pure "A premium quality 100% Pure Edible Oil made from the finest Edible Oil made from the finest and coconuts", is written on the back fresh coconuts" is written on the of the bottle in white color. back of the bottle also in white color.

"Ingredients:	Coconut	Oil"	"Ingredients":	Natural	
written on the back			Oil"	written	on the
			(underlined	portion	added by the
			Defendant).		

There is a bar code of a There is a bar code of the exact 1According to the Food Safety and standards (packaging and labelling regulations 2011 the Vegetarian Food symbol is only required to have a contrasting background (which may not necessarily be white). This symbol is only required to be "in close proximity to the name or brand name of the product." The Plaintiff claims no rights in the symbol but the placement of the symbol and the white background is copied and is not a part of the regulation.

particular	size	in	a	white	same size, orientation and at the
background.					exact same location in a white
					background.

Above the bar code there are The tables exist, albeit differently certain tables with descriptive arrayed, but with rounded edges, matter with the edges of the giving a very similar visual appeal. tables rounded.

MRP of a 100 ml bottle Rs.30/- MRP of a 100 ml bottle Rs.33/- MRP of a 175 ml bottle Rs.56/- MRP of a 175 ml bottle Rs.52/- MRP of a 250 ml bottle Rs.77/- MRP of a 250 ml bottle Rs.72/-

Defendant has also adopted the Wella label being the image of a lady with flying hair of a third party on its product.

26. Learned senior counsel for the plaintiff pointed out that as and when the plaintiff made changes to its PARACHUTE label, the defendants made the same changes immediately. He stated that the defendants had copied the earlier PARACHUTE label as well.

27. Mr. Lall contended that in addition to the PARACHUTE label, the defendants had also infringed the label of the plaintiff's PARACHUTE ADVANSED JASMINE Coconut oil. He showed the following photographs of the plaintiff s and the defendants product:-

ARGUMENTS ON BEHALF OF THE DEFENDANTS

28. Per contra, Mr. Rajat Aneja learned counsel for the defendants submitted that this Court did not possess the territorial jurisdiction to try and entertain the present suit inasmuch as both the plaintiff and the defendants had their offices in Telangana and hence were admittedly carrying on business in Telangana. He pointed out that the defendants did not have any office in Delhi and were not carrying on business in Delhi and no product of the defendants had ever been sold in Delhi. Therefore, according to him, no part of cause of action had arisen in Delhi as per Section 20(c) of Code of Civil Procedure, 1908.

29. Learned counsel for the defendants stated the plaintiff had invoked jurisdiction of this Court on the basis of para 51 of the plaint wherein it had been averred that the defendants were selling their products through departmental store BIG BIZAR- stores which were operating in Delhi.

He contended that this was clever drafting by the plaintiff in order to invoke jurisdiction of this Court inasmuch as the said fact was not supported by any document.

30. Learned counsel for the defendants contended that the website www.indiamart.com/keedia-industries/ did not belong to the defendants and the defendants had neither posted any information on the said website nor had www.indiamart.com taken any authorization or permission from them before posting such information. He contended that from

the information available on the said third party website, it could not be assumed that the defendants were carrying on business in Delhi or that any part of cause of action had arisen in Delhi.

31. Learned counsel for the defendants stated that the plaintiffs cannot rely upon the defendants affidavit filed in 2008, before the Trademarks Registry stating that defendants products were being sold throughout the length and breadth of the country. He pointed out that the plaintiff in para 39 of the plaint had in fact admitted that as of 2013, sales of the impugned product were restricted to the State of Andhra Pradesh/Telangana and nearby markets, from which it was clear that no part of cause of action had arisen in Delhi.

32. Mr. Rajat Aneja further submitted that the present suit was barred by delay, laches and acquiescence. He stated that the plaintiff had been aware of the defendants use of the mark/label SHRI LAXMI BRAND since 2001, which included all the features such as dark blue and green colour combination; SHRI LAXMI BRAND written in white font within a flag with green border, picture of coconut tree etc. He emphasised that the defendants had been using various elements of SHRI LAXMI BRAND label/packaging/trade dress continuously and uninterruptedly since 1999, as shown below:-

33. Mr. Aneja pointed out that in response to the plaintiff s cease and desist notice dated 21st January, 2002, alleging copyright infringement and passing off, the defendants had sent a reply on 05th February, 2002 and had also filed a suit against the plaintiff before the Court of PRL, Junior Civil Judge, Hyderabad being Suit No.221 of 2002. He stated that no action was taken by the plaintiff and the defendants continued to use all the elements of SHRI LAXMI BRAND trademark/label uninterruptedly. He stated that subsequently, the defendants adopted the EVEREST trademark/label in 2006 and had spent a huge amount of money in its marketing and promotion.

34. He pointed that in 2013, the plaintiff again initiated a criminal proceeding against the defendants on account of use of the EVEREST LABEL; however, the same was unsuccessful as it was found that the defendants had a copyright registration in the said label.

35. Consequently, according to him, the plaintiff had waited for fourteen years to file the present suit against the defendants after being fully aware about the aforesaid mark/label of the defendants. He contended that the plaintiff had knowingly allowed the defendants to proceed and to expend money on their mark/label which was inconsistent with the plaintiff s claim of exclusivity and as such, the plaintiff had acquiesced to the defendants use of the aforesaid marks/labels including its various elements.

36. Mr. Rajat Aneja also stated that the defendants were honest and concurrent users inasmuch as the defendants had been using SHRI LAXMI BRAND label with its various elements i.e. blue colour bottles, dark blue colour inside the green border window, with the green coconut tree and white alphabets for its trademark since 1999. He stated that the defendants had also applied for trademark registration of the said label, vide Application No.1018670 dated 20th June, 2001, claiming user since 01st January, 1999.

37. He stated that though the plaintiff claimed to have filed applications for trademark registrations in the year 1997, yet its earliest applications being Application Nos. 737894 and 737893 for PARACHUTE label had been filed on "proposed to be used" basis. He pointed out that the plaintiff had not filed any documents on record to show that they had been using the mark/label PARACHUTE in the course of trade since the year 1997. He stated that the invoices filed by the plaintiff were from 2001 onwards and they also did not show that the plaintiff was using the PARACHUTE label, which was the subject matter of the present suit. The advertisement material filed by the plaintiff did not relate to the PARACHUTE label. He contended the plaintiff's claim of use or having acquired distinctiveness for its trademark/label or any element thereof from the year 1997 was doubtful. He submitted that the plaintiff was required to establish its case first, by supporting documents.

38. Mr. Rajat Aneja submitted that there was no monopoly over single colour trademarks. He pointed out that Section 2(1)(m) of the Trade Marks Act, 1999 defines a „mark“ as including a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or „combination of colours“ or any combination thereof. He stated that Section 2(1)(zb) of the Trade Marks Act, 1999 defines a trademark as "a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours..." Therefore according to him under the Trade Marks Act, 1999, a single colour trademark had not been recognized as a source identifier. He pointed out that the Bombay High Court, in the plaintiff's case itself being Marico Industries Ltd. & Anr. Vs. Sarfraj Trading Co. & Ors., 2002 (25) PTC 348, had held, "... in so far as colour of the bottle, coconut tree, there can be no monopoly and have been dealt with in earlier proceedings filed by the Plaintiff against some others."

39. He submitted that the plaintiff cannot claim exclusivity over a colour combination unless it prima facie established that the said colour combination had become distinctive of the plaintiff's product. In support of his submission, he relied upon a judgment of the Division Bench of this Court in Britannia Industries Ltd. Vs. ITC Limited, 240(2017) DLT 156.

40. Mr. Aneja, pointed out that blue colour was common to the trade and coconut oil was being sold by a number of suppliers in similar blue colour bottles. He emphasised that no legal action had been initiated by the plaintiff against such third party manufacturer/suppliers.

41. Learned counsel for defendants submitted that in view of Section 17 of the Trade Marks Act, 1999, the plaintiff being the registered owner of the whole of its PARACHUTE label, could not file a suit for infringement of trade mark against the defendants for using a part of the plaintiff's registered label. In support of his submission, he relied upon the judgment of this Court in Godfrey Phillips India Limited v. P.T.I Private Limited & Ors., 2018 SCCOnLine Del 8278.

42. Mr. Rajat Aneja, lastly stated that during the course of several hearings in the present matter, the defendants had given various proposals to the plaintiff in order to amicably settle the dispute between the parties. He stated that the defendants were still willing to carry out some minor modifications.

COURT'S REASONING ELEMENTS OF PASSING OFF ACTION ARE PRIMA FACIE ESTABLISHED IN THE PRESENT CASE. THIS COURT IS FURTHER OF THE PRIMA FACIE VIEW THAT THE ADOPTION BY THE DEFENDANTS WAS IN BAD FAITH. ACCORDINGLY, THE CONTENTION OF THE DEFENDANTS THAT THEY WERE HONEST CONCURRENT USERS IS CONTRARY TO FACTS.

43. This Court is of the view that it is first essential to compare the products of the plaintiff and the defendants. A comparative photograph of both the plaintiff and the defendants product is reproduced hereinbelow:-

44. Upon comparison of the aforesaid two bottles, it is evident that the background colour (same shade of blue Pantone 285C), bottle size, cap shape, nozzle, flag device, coconut tree, broken coconut device, indentation, print as well as description in white font, are very similar if not identical. This Court is of the prima facie opinion that if the two products are placed next to each other, it would be apparent that each and every important feature of the plaintiff's PARACHUTE Coconut Oil product had been copied by the defendants for their EVEREST Coconut Oil product. In the present case, the resemblance in get up and trade dress between the two products is so close that it can hardly occur except by deliberate imitation. In fact, this Court is of the prima facie view that if the two rival products were kept on a display shelf, it may be well-nigh impossible for a reasonable consumer to tell which product belongs to whom. Consequently, this Court is of the prima facie opinion that the defendants have copied the most relevant, material and essential features of the plaintiff's product in an attempt to pass off its products as that of the plaintiff's.

45. Moreover, as and when the plaintiff made changes in its trade dress, the defendants followed suit. The same is apparent from the following table:-

46. The plaintiff has also placed on record relevant print outs of its annual reports for PARACHUTE Coconut oil, flag device and broken coconut device. The said reports indicate the market share of the plaintiff's product on the date it carried out the changes in its trade dress. The relevant portion of the said reports are reproduced hereunder:-

S.No.	Year	Product	Trade Dress	Market Share
1.	1992-93	Parachute Coconut Oil		50%
2.	1999-2000	Parachute Coconut Oil and Flag Device		53%

3.	2003-04	Parachute Coconut Oil, Flag Device, Broken coconut device	57%
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47. In fact, in the 1997-98 annual report, the plaintiff had not only mentioned its total revenue, post tax profit, but also the special features of its new logo and the name of its designer. In the said annual report, it was specifically stated that the "consumers had responded to the new look with enthusiasm, assured of the eternal goodness of the product."

48. Keeping in view the aforesaid contemporaneous documents, this Court is prima facie of the opinion that on the dates the defendants carried out changes in their trade dress and label, the plaintiff was the market leader in the category of edible oil and the plaintiff's mark and trade dress had become distinctive of its goods. Consequently, it made sense for competitors such as the defendants to copy the plaintiff.

49. In fact, this Court is of the prima facie view that not only are the three elements of a passing off action namely, the reputation of goods, possibility of deception and likelihood of damages established in the present case, but that the adoption by the defendants of the said trade mark and trade dress was in bad faith. Accordingly, the contention of the defendants that they were honest concurrent users is contrary to facts.

A PRIMA FACIE CASE OF INFRINGEMENT IS MADE OUT INASMUCH AS THE DEFENDANTS HAVE COPIED THE PLAINTIFF S REGISTRATIONS. IN FACT, NOT ONLY HAS THE BOTTLE SHAPE, COLOUR AND LABELING BEEN COPIED BY THE DEFENDANTS, BUT ALSO THE INDIVIDUAL ELEMENTS WHICH ARE SUBJECT MATTER OF INDEPENDENT REGISTRATION. SECTION 17 OF THE TRADE MARKS ACT, 1999, APPLIES TO THE PRESENT CASE AND GODFREY PHILLIPS INDIA LIMITED (SUPRA) JUDGMENT, IS INAPPLICABLE TO THE FACTS OF THE PRESENT CASE.

50. This Court is of the view that a prima facie case of infringement is made out inasmuch as the defendants have copied the plaintiff s registrations. In fact, not only has the bottle shape, colour and labeling been copied by the defendants, but also the individual elements which are subject matter of independent registrations. The said fact would be apparent from the following chart:-

Plaintiff s Registration Use by the Defendant R.No.363235 Dt.-27/06/1980
R.No.737894 Dt.20/03/1997 R.No.737893 Dt.20/03/1997 R.No.2423238
Dt-06/11/2012 R.No.2423236 Dt-06/11/2012 R.No.1033844 Dt-02/08/2001
R.No.2425320 Dt.08/11/2012 R.No.2425321 Dt-08/11/2012 R.No.2425322

Dt-08/11/2012 R.No.3481083 Dt-13/02/2017

51. Consequently, Section 17 of the Trade Marks Act, 1999, is satisfied in the present case and Godfrey Phillips India Limited (supra) judgment, is inapplicable.

THE PLAINTIFF IS NOT CLAIMING EXCLUSIVITY IN BLUE COLOUR AS A STAND ALONE FACTOR, BUT IN A COMBINATION OF PARTS, WHICH INCLUDES THE BLUE COLOUR. IN ANY EVENT, THE BLUE COLOUR HAS BEEN HELD TO BE A SOURCE IDENTIFIER IN ANNAMALAYAR AGENCIES VS. VVS & SONS PVT. LTD. & ORS., 2008 (38) PTC 37 (MAD.)

52. With regard to the issue of infringement and passing off in colour combination, this Court is of the view that the plaintiff is not claiming monopoly over a single colour inasmuch as the plaintiff's bottle is not only blue in colour but it also contains amongst others a coconut tree, a broken coconut device, a flag which has a dark blue background and certain descriptions written in white font. Consequently, the plaintiff is not claiming exclusivity in blue colour as a stand alone factor, but in a combination of factors, which includes the blue colour.

53. In the present case, the get-up is not only novel, but distinctive and acts as a source identifier, even though it consists of a combination of commonly used parts. From the huge turnover certified by the Chartered Accountant in Annual Accounts as well as due to continuous use over a long period of time, it seems prima facie that plaintiff's packaging is exclusively associated with the plaintiff and the products bearing the plaintiff's trade dress are recognized by the public as being sourced from the plaintiff and from no one else.

54. As far as the defendants' argument that the colour blue is common to the trade and/or the plaintiff has not taken legal action against such similar infringers, this Court is of the view that the defendants have not been able to prima facie prove that the said „infringers“ had significant business turnover or they posed a threat to plaintiff's distinctiveness. No sale figures of third parties using the blue colour bottles have been placed on record by the defendant. Consequently, this Court at this stage cannot presume extensive use of the blue colour by third parties.

55. This Court is of the view that the plaintiff is not expected to sue all small type infringers who may not be affecting the plaintiff's business. The Supreme Court in National Bell Vs. Metal Goods reported in AIR 1971 SC 898 has held that a proprietor of a trademark need not take action against an infringer who does not cause prejudice to its distinctiveness. In Express Bottlers Services Pvt. Ltd. Vs. Pepsi Inc. & Others reported in 1989 (7) PTC 14 it has been held as under:-

"....To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks.... The mere use of the name is irrelevant because a

registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence.... Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This Court is inclined to accept the submissions of the respondent No. 1 on this point....The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers..."

56. In Dr. Reddy Laboratories Vs. Reddy Pharmaceuticals reported in 2004 (29) PTC 435 a coordinate Bench of this Court has held as under :-

"..., the owners of trade marks or copy rights are not expected to run after every infringer and thereby remain involved in litigation at the cost of their business time. If the impugned infringement is too trivial or insignificant and is not capable of harming their business interests, they may overlook and ignore petty violations till they assume alarming proportions. If a road side Dhaba puts up a board of "Taj Hotel", the owners of Taj Group are not expected to swing into action and raise objections forthwith. They can wait till the time the user of their name starts harming their business interest and starts misleading and confusing their customers."

57. In any event, in Colgate Palmolive Company and Anr. Vs. Anchor Health and Beauty Care Pvt. Ltd., 2003 SCC OnLine Del 1005 another Coordinate Bench of this Court has held that colour in a trade dress can be so significant that in some cases even single colour can be taken to be a trademark to be protected in passing off action. The relevant portion of the said judgment reads as under:-

"60. In the case of passing off and for that purpose infringement of trademark which are already in existence, the second or for that purpose the subsequent comer has certain obligation to avoid unfair competition and become unjustly rich by encashing on the goodwill or reputation of the prior comer. They have to establish and bank upon on their own trade dress or distinctive features so as to establish their own merit and reputation and attract the attention of the purchasing public and if there are no substantial dissimilarities of marks, colour combination, getup or layout on the container or packing or covering of the goods of the prior comer these are likely to create confusion in the minds of customers between his goods and the goods of the prior comer in the market as underlying and hidden intention of the second comer is to encash upon the successful rival.

XXXX XXXX XXXX XXXX

62. Significance of trade dress and colour combination is so immense that in some cases even single colour has been taken to be a trademark to be protected from passing off action. Colour combination is a trademark within the definition of the TMM Act as there is no exclusion in the definition. Even a single colour has been held

to be a trade mark. There may be exception also. Exception is that where the colour cannot be protected as the blue colour is for the ink and red colour is for the lipstick. Red and white has nothing to do with the pink. Teeth as white line and gum as pink colour alone at least sometimes can meet the basic requirements as a trademark. Colour depletion theory is unpersuasive only in cases where a blanket prohibition is being sought."

58. In fact, the blue bottle has been held to be a source identifier of plaintiff's product in Annamalayar Agencies Vs. VVS & Sons Pvt. Ltd. & Ors., 2008 (38) PTC 37 (Mad.). In the said case, it was held that the showing of the blue coloured bottle in an advertisement disparaged the plaintiff's product PARACHUTE coconut oil. The relevant portion of the said judgment is reproduced hereinbelow:-

"33. Insofar as advertisements 2 and 3 are concerned. they definitely refer to a plain unnamed blue bottle and drives home a message that the blue bottle does not contain 100% pure and natural coconut oil whereas the 1st defendant's product alone contain 100% pure and natural coconut oil. It is one thing to say that the 1st defendant's product alone is 100% pure which is not actionable and it is another thing to say that the plaintiff's product is not 100% pure which is actionable.

34. Even though it was denied by the 1st defendant that they did not mean to run down the product of the plaintiff, it was admitted by them that it was aimed at all the blue bottles including that of the plaintiff. It is also not in dispute that only the plaintiff and the 1st defendant are holding the majority market share in the State of Tamil Nadu and in such circumstances it cannot be said that no attempt was made by the 1st defendant to disparage the product of the plaintiff namely Parachute.

XXXX XXXX XXXX XXXX

36. If it is an innocuous advertisement without any intent to malign, defame and disparage the product of the plaintiff, then there was no necessity of showing a blue bottle and comparing its purity by more than one in action.

37. The 3rd advertisement also goes to show that the general public not picking the blue bottles stacked in the shelf whereas the 1st defendant's product are being grabbed with enthusiasm and swiftness. This definitely would send a wrong message to television viewers and the buyer of the coconut oil that the blue bottle products are inferior to that of green bottle products of the 1st defendant, which is nothing but openly disparaging the product of the plaintiff."

59. Consequently, the judgment of the Bombay High Court in Marico Industries Ltd. & Anr. (Supra) offers no assistance to the defendants.

FOR ACQUIESCENCE, THERE SHOULD NOT ONLY BE A TACIT OR AN EXPRESS ASSENT BY THE PLAINTIFF TO THE DEFENDANT'S USE OF THE MARK, BUT ALSO ENCOURAGEMENT OF THE DEFENDANT TO CONTINUE WITH THE BUSINESS.

ACQUIESCENCE CANNOT BE INFERRED MERELY ON ACCOUNT OF THE FACT THAT THE PLAINTIFF HAD NOT TAKEN ANY ACTION FOR INFRINGEMENT OF ITS RIGHTS.

60. Acquiescence means an encouragement by the plaintiff to the defendant to use the infringing mark. It implies positive acts; not merely silence or inaction. For acquiescence, there should not only be a tacit or an express assent by the plaintiff to the defendant's use of the mark, but also encouragement of the defendant to continue with the business. Acquiescence may be a good defence even to the grant of a permanent injunction because the defendant may legitimately contend that the encouragement of the plaintiff to the defendant's use of the mark in effect amounted to the abandonment by the plaintiff of his right in favour of the defendant and, over a period of time, the general public had accepted the goods of the defendant. However, acquiescence cannot be inferred merely on account of the fact that the plaintiff had not taken any action for infringement of its rights. [See: Messrs Hindustan Pencils Pvt. Ltd. Vs. Messrs India Stationery Product Co. & Anr., (1989 SCCOnLine Del

34)].

61. In the present case, at no point of time did the plaintiff permit the defendant to use the impugned mark or trade dress and/or promote the defendants' mark or trade dress.

62. In 2002, the plaintiff objected to the use of the earlier packaging of defendants under the brand SHRI LAXMI. Further, in 2013 plaintiff filed a criminal complaint against defendants for the use of the impugned trade dress. In 2016, the plaintiff sent a cease and desist notice against the use of the impugned trade dress and in November, 2016, the plaintiff initiated the present proceedings against the defendants for use of the impugned trade dress.

63. Consequently, in the present case, the defence of delay and acquiescence is contrary to facts and untenable in law.

IN CASES OF INFRINGEMENT EITHER OF TRADE MARK OR OF COPYRIGHT NORMALLY AN INJUNCTION MUST FOLLOW. MERE DELAY IN BRINGING ACTION IS NOT SUFFICIENT TO DEFEAT GRANT OF INJUNCTION IN SUCH CASES.

64. The defence of laches or inordinate delay is a defence in equity. Such a defence cannot be put up by a party who has acted unfairly and dishonestly. Further, if the Court is of the view that prejudice is likely to be caused to the general public who may be misled into buying the goods manufactured by the defendants thinking them to be the goods of the plaintiff, then an injunction must be issued.

65. In any event, it is settled law that in cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of

injunction in such cases. [See: Midas Hygiene Industries Pvt. Ltd Vs. Sudhir Bhatia, 2004 (28) PTC (121) SC].

PRIMA FACIE THIS COURT HAS THE TERRITORIAL JURISDICTION TO ENTERTAIN AND DECIDE THE PRESENT SUIT.

66. This Court finds that the plaintiff has positively asserted in its plaint that the defendants are selling their products within the jurisdiction of this Court through the departmental store „Big Bazar . The plaintiff has also placed on record a printout of the defendants website, which specifically states that the defendants products are available on various e-commerce websites including „Big Bazar . It is an admitted position that „Big Bazar has outlets in Delhi. The Supreme Court in Saleem Bhai and Others Vs. State of Maharashtra and Others, AIR 2003 SC 759 and Kamala and Others Vs. K.T. Eshwara SA and Others, (2008) 12 SCC 661 has held that averments in the plaint have to be believed at this stage.

67. The plaintiff has further asserted in its plaint that the defendants are indulging in online sale of the impugned product in Delhi through another website „Indiamart . Printouts of the „Indiamart website showing the defendants products range have been filed. A perusal of the „Indiamart website prima facie shows that it is an interactive website inasmuch as it permits the viewers to ask for price and specifically states "before dispatching the product, they are firmly tested and checked by the team of quality controllers". Accordingly, in the present case the "purposeful availment" as well as "sliding scale" and "effects" tests as stipulated in Banyan Tree Holding (P) Limited Vs. A. Murali Krishna Reddy and Anr., 2010 (42) PTC 361 (Del) are satisfied.

68. Even defendant no.2 in its own affidavit dated August, 2008 filed before the Trademark Registry, has admitted that it is selling its goods "through the entire length and breadth of the country".

69. A perusal of the order sheets reveals that on 29 th November, 2016, the counsel for the defendants had even admitted before the learned predecessor of this Court that they were previously selling their goods in Delhi. Though subsequently on 08th December, 2016, the counsel for the defendants had tried to withdraw the said statement by stating that he had never told the Court on 29th November, 2016 that the defendants had ever sold the impugned products in Delhi, yet the learned predecessor of this Court had reiterated that what was recorded in the order sheet on 29 th November, 2016 was correct. The Supreme Court has repeatedly held that the superior Courts in India are the Courts of Record and what is recorded in the Court s order is correct and cannot be contradicted by the counsel for the parties (See: State of Maharashtra Vs. Ramdas Shrinivas Nayak and Another, (1982) 2 SCC463 and Apar (P) Ltd. and Another Vs. Union of India and Others, 1992 Suppl. (1) SCC 1). In view of the aforesaid, this Court is of the prima facie opinion that it has the territorial jurisdiction to entertain and decide the present suit.

DEFENDANTS' OFFER TO MAKE CHANGES WHILE RETAINING THE KEY ELEMENTS OF THE TRADE DRESS IS NOTHING BUT 'AN ATTEMPT TO SAIL NEAR THE WIND'.

70. As far as the defendants' contention that it has made some changes in its packaging/trade dress and is willing to modify its get up/trade dress, this Court is of the prima facie view that the defendants have time and again made minor changes in their packaging in an attempt to continue to mislead the purchasers and make it more difficult for the plaintiff to protect its mark/trade dress. It is pertinent to mention that throughout these proceedings the defendants persisted in retaining the following elements:-

- a) Blue colour similar to that of plaintiff.
- b) Bottle shape identical to plaintiff with almost identical indentations.
- c) A flag device with the brand EVEREST written in a script almost

identical to the plaintiff's PARACHUTE. In most suggestions, the Flag Device has a green outline and a dark blue interior, though in two of the proposals the defendant did agree to change to the colour Orange/Red.

d) Almost identical device of broken coconut with a splash of coconut water.

- e) Almost identical coconut tree.
- f) All descriptive and other written material in white on the blue background.

71. In a similar situation, the Bombay High Court in R.R. Oomerbhoy Private Limited Vs. Court Receiver, High Court, Bombay and Anr., 2003 (27) PTC 580 had aptly referred to the following observations of the Master of the Rolls, Lord Greene in Wright, Layman & Umney Ltd. Vs. Wright, 1949 (46) RPC 149:-

"It has been said many times that it is no part of the function of this Court to examine imaginary cases of what the defendant could or could not do under this form of injunction. The best guide, if he is an honest man, is his own conscience; and it is certainly not the business of this Court to give him instructions or hints as to how near the wind he can sail. Honest men do not attempt to sail near the wind."

DEFENDANTS HAVE NOT EVEN DEFENDED THE USE OF SIMILAR MARK FOR THEIR EVERSTAR JASMINE HAIR OIL

72. It is pertinent to mention that the defendants have not defended the use of similar mark for their EVERSTAR JASMINE Hair Oil. The said act prima facie shows that the intent of the defendants has always been to deceive the public and to pass off its goods as that of the plaintiff. It has been wisely said that „what is worth copying is worth protecting .

TRADING BY THE DEFENDANTS IN THE PRESENT CASE IS NEITHER HONEST NOR FAIR.

73. To conclude, this Court refers to the statement of law laid down by the Division Bench in B.K. Engineering Co. Vs. UBHI Enterprises (Regd.) & Anr., AIR 1985 Delhi 210 that "it is essential that

trading must not only be honest but must not even unintentionally be unfair. If it is shown that a product or a business of a trade has acquired a distinctive character the law will restrain a competitor from using that other's name. A line must be drawn somewhere between honest and dishonest trading, between fair and unfair competition."

74. In this case there can be no doubt that the defendants intend to trade upon the plaintiff's reputation as well as goodwill and wants to bring its bottles, trade dress, label and shape as close to the plaintiff as possible.

RELIEF

75. Consequently, the defendants, their partners, principals, directors, officers, employees, agents, distributors, suppliers, affiliates, subsidiaries, franchisees, licensees, representatives, group companies and assigns are restrained from manufacturing, distributing, exporting, selling, offering for sale, advertising, promoting, displaying and/or using, in any manner whatsoever, the impugned products namely EVEREST COCONUT OIL and/or EVEREST JASMINE HAIR OIL and/or any other product bearing any other label/trade dress/packaging/mark/bottle shapes/shape of jars deceptively and/or confusingly similar to the plaintiff's trade marks/labels/packaging/bottle shapes for the PARACHUTE (labels), FLAG DEVICE, BROKEN COCONUT DEVICE, PARACHUTE BOTTLE, PARACHUTE JAR and/or PARACHUTE ADVANSED JASMINE (labels) and/or variants and the unique/distinctive trade dress/bottle shapes/shape of jars relating thereto as a trade mark/label or part of a trade mark/label, trade name or a part of trade name, domain name or a part of domain name or in any other manner whatsoever.

76. Accordingly, I.A. No.14758/2016 stands disposed of. CS(COMM) 1569/2016

77. List the matter before the Joint Registrar for admission/denial of documents on 10th October, 2018.

MANMOHAN, J AUGUST 27, 2018 rn/js