Petitioner Vs. Respondent

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Court : Chennai

Decided On : Oct-21-2016

Judge : M.M. Sundresh

Appeal No. : O.A.No.1102 of 2015 and A.No.6797 of 2015 in C.S.No.828 of 2015

Appellant : Petitioner

Respondent : Respondent

Judgement :

1. The plaintiffs/applicants have filed the present suit in C.S.No.828 of 2015 inter alia alleging that the defendant/respondent is indulging in passing off qua the three products touching upon the trade dress and get-up intentionally. Thus, the suit is laid for passing off with incidental reliefs.

2. Pending the suit, O.A.No.1102 of 2015 has been filed seeking an order of interim injunction restraining the respondent from continuing to indulge in certain activity.

3. A.No.6797 of 2015 has been filed to appoint an Advocate Commissioner to visit the premises of the respondent and seize the infringed products and also ascertain the details pertaining to the supply and manufacture.

4. Heard Mr. Hemanth Singh, learned counsel for Mr.Arun C.Mohan, learned counsel for the applicants and Mr.R.Sathish Kumar, learned counsel for the

respondent and perused the records including the written arguments.

5. Brief Facts:-

5.1. The applicants are stated to be the market leaders in the manufacturing of food grade plastic storage containers and other products (hereinafter referred to as Tupperware Products) and selling of Tupperware Products. The business initially established in the year 1928 in United States of America, spread its wings to various countries about 100 in number. The Guinness Book of World Records has listed Tupperware products amongst ten greatest inventions of the 20th century. These products are made of non-toxic, non carcinogenic materials. Thus, it has attained substantial turn over in the Indian Market as the premier consumer goods brand. It has introduced three products by name MM Square, Best Lunch Bag and Spice Shakers. The get-up and the characteristic features with its own distinct are mentioned in the plaint in the following manner.

15. The overall get-up of the Plaintiffs' products are characterized by use of distinctive combination of features which impart distinctive getup to plaintiffs' products as distinguished from those of other manufacturers in the market. A lot of imagination and creativity based research, investment and development goes into creation of distinctive get-up and the same is entitled to protection as valuable intellectual property right against imitation. These features constitute distinctive trade dress and get-up which is entitled to protection as trade mark against misuse, imitation and acts of passing off as such trade dress and get-up have acquired secondary significance indicating the source and origin of such plastic storage containers originating from the plaintiffs.

16. The subject matter of the present suit involves the following products with their distinctive features of the plaintiffs as described herein below:

(A) MM SQUARE;

(B) BEST LUNCH BAG;

(c) SPICE SHAKERS;

16A. MM SQUARE:

The characteristic distinctive features of the MM Square are as under:

(i) The outer surface of the container is a mixture of matte finish and gloss transparent finish on the alternate sides;

(ii) The use of gloss and matte finish operates to form a window feature;

(iii) The brim of the container has gloss transparent finish with the sides protruding all the four sides leaving space on the corners for the vertical tabs of the lid;

(iv) The bottom surface of the container has circle in the center and engraving of the brand Typperware in subdued manner so as to make it inconspicuous;

(v) The lid has textured finish surface with a circle at the center;

(vi) The lid has vertical tabs on its four corners which fit in the four corners of the base of the container;

(vii) The lid also has one protruding at one of the corners of the lid;

(viii) The trade mark Tupperware appears engraved in the same colour as that of the lid in subdued style rendering it inconspicuous. The subdued styling of the brand Tupperware is meant to enhance the focus and significance of the distinctive trade dress and get-up of the product as indicator of source and origin identified with the plaintiffs.

16B. BEST LUNCH BAG

The plaintiffs' Best Lunch Bag is a lunch bag made of fabric having six quadrilateral faces. The characteristic features of the Best Lunch Bag are as under:

(i) The Best Lunch Bag is a cuboidal lunch bag made of fabric with design on the alternate sides and also at the bottom;

(ii) It has a cover at the top with zips running parallel making it comfortable to open. The same merges into another flip cover which seals the bag from the top;

(iii) The fabric belt is also attached with the sides of the bag so that the same can be easily carried.

(iv)The brand Tupperware is embossed in white letterings on the one side of the lunch bag

(v) The Best Lunch Bag is sold separately and also with four products inside it which are namely legacy tumbler, two tropical cups and a box.

16C. SPICE SHAKERS

The plaintiffs' Spice Shakers is a plastic storage container which has the following characteristic features:

(i) It is a rectangular shaped container;

(ii) The outer surface of the container is a mixture of matte finish and gloss transparent finish on the alternate sides;

(iii) The use of gloss and matte finish operates to form a window feature;

(iv) The lid of the Spice Shakers is divided into two sections- the lower and the upper;

(v) The lower section of the lid with two vertical tabs fits into the container. The upper section of the lid is split into two flaps, one covering the free flow and the other covering the vents used for sprinkling the materials;

(vi) The flap which covers the vents has bulging out pointers of the same number as that of the vents and fits into the same making the product air tight;

(vii)The trade mark Tupperware appears engraved in the same colour as that of the lid in subdued style rendering it inconspicuous on the inner side of the flap so that it is not visible from outside and making the product distinctive.

The subdued styling of the brand Tupperware is meant to enhance the focus and significance of the distinctive trade dress and getup of the product as indicator of source and origin identified with the plaintiffs.

Therefore, this is the case where the getup and trade dress of plaintiffs' plastic storage containers predominantly and by themselves distinguish, identify and indicate the origin and source of the products originating from the plaintiffs. The trade dress and the get-up of the plastic containers of the plaintiffs therefore constitute valuable intellectual property right entitled to protection as distinctive trademarks.

5.2. The sales turn over of these products as per the documents made available in the typed set of papers would show that the applicants are substantially the leaders in the market in this field. These products have been launched between 2004 and 2011 as the case may be.

5.3. In the year 2011, an advertisement was published by the respondent, which is inclusive of products, which is the subject matter of the present suit, among others. According to the applicants, the said three products are not visible and in any case, they were not available in volume in the market of Delhi and therefore, the suit was laid before the High Court of Judicature at Delhi against the other products alone. The application for interim prayer was rejected by the Division Bench on the following premise in DART INDUSTRIES INC AND ANOTHER V. TECHNO PLAST AND OTHERS FAO(OS) 326/2007 dated 21.07.2016.

37. This court finds considerable merit in the approach of the single judge. Undoubtedly, the Full Bench, in its majority ruling in Microlubes declared that regardless of subsistence of design right - or its exhaustion, a FAO (OS) 326/2007 Page 37 passing off action can lie, in given cases. In so concluding, the court did take into account changes to the Trademark Act, which now extend trademark registration protection even to shapes. However, what is essential in such cases is not merely the existence of the remedy of infringement (of a trademark through a permanent or temporary injunction) or the remedy against passing off, but the proof of essential elements that are necessary. The plaintiff must plead and prove the distinctiveness of the mark. In the present case, the distinctiveness averred in

the suit relates to the mark "Tupperware". There is no assertion- except a general and vague assertion with respect to passing off of trade dressas to how the shape mark which the plaintiffs seek protection of are distinctive for trademark purposes.

38. In the context of passing off, undoubtedly trade dress and the get up of the packaging, presentation of the product through label, etc constitute essential components of the goodwill and reputation of a commercial enterprise (Ref. Laxmikant Patel). William Grant and Sons Ltd v McDowell and Co Ltd33also supports such a proposition. Yet, for seeking even prima facie protection in the nature of interim injunction there should be material disclosing that the general public associates the shape in question (which is asserted by the plaintiff as their distinctive mark or get up) only with the plaintiff. Whilst in the case of trade dress in the form of label or mark, distinctiveness is easily discernable, in the case of shape based trade dress, the plaintiff has to necessarily show that the get up of the product or article (over which certain exclusivity or distinctiveness is claimed) has an integral association only with it. Unless this requirement is pleaded and established, (and for interim injunction purposes, at least prima facie) every product with 1994 FSR 690 (Del) FAO (OS) 326/2007 Page 38 a commonplace shape would "ride" on the reputation of an exclusive trademark, based on a distinctive name, label or color combination of the packaging or label, etc. In this case, the distinctiveness of the shape of the product- asserted to be unique or solely associated with the plaintiff has not been so pleaded and established.

5.4. Thereafter, the applicants have come forward to file the present suit holding the premise that the respondents are indulging in the act of deceit at Chennai, and thus, a case of passing off against them is made out. There is also no dispute qua the prior user and the similarity governing the products. In fact, if one interplays with the names of the products, it is very difficult to differentiate one from other. At least, on this account, there is very little controversy. This similarity covers not only the shape but the entire trade dress and to the extent of names being used exactly at a particular place in the products. With this limited background facts, let us go into the issues governing the case.

6. Delay, Laches and Acquiescence:-

Delay, laches and acquiescence are the principles to be kept in mind while exercising the discretionary power conferred upon the Court both at the interim as well as the final decision. At the interim stage, these principles acquire more importance than the final stage. Delay is a genus, in which, acquiescence is a specie. Thus, while delay *per se* will not non-suit the party from getting a relief, an act of acquiescence does so. When dishonesty and fraud qua the respondent is apparent, a mere delay will not be a ground to deny an order of injunction. When the dishonesty is continuous and apparent on the face of it, a plea of acquiescence will take a back seat. Such a plea has to be proved by the party, who raises it. An act of acquiescence implies a positive act. Such a positive act creates a new right with the respondent. In such a case, knowledge is injected into the applicants' conduct, who thereafter allows a respondent to proceed by spending his time, money and energy, qua its product. The respondent also must have thought that the plaintiff does not have a legal right while acting in furtherance of its activities. Therefore, the doctrine of acquiescence involves an action on the part of the applicants in instigating the respondent to indulge in a particular activity despite the legal right of the former. The principle governing acquiescence is well said in the celebrated judgment of the Apex Court in M/S POWER CONTROL APPLIANCES AND OTHERS V. SUMEET MACHINES PVT. LTD., ((1994) 2 Supreme Court Cases 448) as under.

29. This is the legal position. Again in Halsbury's Laws of England, Fourth Edn., Vol. 24 at paragraph 943 it is stated thus:

"943. Acquiescence.- An injunction may be refused on the ground of the plaintiff's acquiescence in the defendant's infringement of his right. The principles on which the court will refuse interlocutory or final relief on this ground are the same, but a stronger case is required to support a refusal to grant final relief at the hearing. [.Patching v. Dubbins; Child v. Douglas; Johnson v. Wyatt; Tumer v. Mirfield ; Hogg v. Scott; Price v. Bala and Festiniog Rly. Co.] The reason is that at the hearing of the cause it is the court's duty to decide upon the rights of the parties, and the dismissal of the action on the ground of acquiescence amounts to a decision that a right which once existed is absolutely and for ever lost:

Johnson v. Wyatt at 25; and see Gordon v. Cheltenham and Great Westem Union Rly. Co. per Lord Langdale MR.')

30. In Aktiebolaget Manus v. R.J. Fullwood and Bland, LD.4 at pp. 338-39 it was held thus: "Apart from this point the case of Fullwood v. Fullwood25 shows that the injunction in a passing-off case is an injunction sought in aid of a legal right, and that the Court is bound to grant it if the legal right be established unless the delay be such that the Statute of Limitations would be a bar. That case apparently concerned some predecessors of the defendants. The delay was one of rather under two years and the relief sought was an injunction to restrain the use by the defendants of cards and wrappers calculated to induce the belief that his business was connected with the plaintiff. Fry, J., in the course of his judgment said this:

"Now, assuming, as I will, for the purpose "of my decision, that in the early part of 1875 the plaintiff knew of all the material facts" which have been brought before me today, he commenced his action in November 1876. "In my opinion that delay, and it is simply delay, is not sufficient to deprive the plaintiff of' his rights. The right asserted by the plaintiff in this action is a legal right. He is, in 18 (1853) Kay 1 : 69 ER 1 19 (1 854) 5 De GMandG 739: 43 ER 1057 20 (1863) 2 De GJandSm 18: 46 ER 281 21 (1865) 34 Beav 390: 55 ER 685 22 (1874) LR 18 Eq 444 23 (1 884) 50 LT 787 24 (1 842) 5 Beav 229, 233 : 49 ER 565 25 (1878) 9 Ch D 176: 47 LJ Ch 459 "effect, asserting that the defendants are liable to an action for deceit". It is not suggested in the defence that the delay here involves a question under or analogous to the period under the Statute. The defendants did suggest that there had been something more than mere delay on the part of the plaintiffs, and that the plaintiffs had lain by and allowed the goodwill which the plaintiffs now propose to acquire, but this point was not seriously pressed. It was suggested that Mr Evans Bajker, the plaintiffs' solicitor, knew from 1941 onwards what the defendants were doing, but it is impossible to impute to a busy solicitor a knowledge which he could only acquire by seeing advertisements in local or farming papers advertising the defendants' activities. No direct information was afforded to him; on the contrary it will be remembered that when in 1942 he made enquiries on behalf of his clients information was studiously withheld from him. I conclude therefore that there has been no acquiescence to disentitle the plaintiff to

relief.'"

7. PASSING OFF:-

7.1. An action for passing off also comes under the common law. An action for passing off is much wider than an infringement. The principle governing "passing off" has already been dealt with by this Court in BANANA BRAND WORKS PVT. LTD., V. KAVAN ANTANI AND OTHERS ((2016) 4 Law Weekly 33), which reads as follows.

6.3. Ultimately, the Courts are concerned with the damages or their likelihood. Therefore, absence of intention and the real damage cannot be the factors standing the way of getting an order of protection. Fraud is not an absolutely necessary element and thus, a mere absence of intention to deceive is not a defence. In a case of infringement qua identity and similarity with the registered mark, the requisite parameters are the same as passing off.

7. Intention is not required:-

When we speak about misrepresentation, a narrow interpretation is not required. It has to be seen and understood from the point of view of the protection, such as, act of misrepresentation, though not necessarily intentional, can be, by any one starting from the manufacturer to the retailer. The reason is that such an act is attached to the goods or services as the case may be. It is also attributable to the last of the transaction and therefore, it should also be seen from the point of view of the end seller.

10. PASSING OFF:-

The concept of passing off has already been dealt with by this Court in A.Nos.1554 and 1555 of 2016 and O.A.Nos.1145 and 1146 of 2015 in C.S.No.854 of 2015 dated 30.06.2016, wherein it has been held as follows.

8.1. Passing off is a concept in the domain of common law remedy. It offers protection to a party, when the other makes an attempt to pass off his goods through a misrepresentation, as that of the former. What is required in a passing

off is the existence of a goodwill, damage or injury to it and through representation. This fundamental principles called as classical trinity has been enunciated in Jif Lemon's case (1991 All England Reporter 873), which deduced the larger requirement enunciated in the Advocate's case (ERVEN WARNINK V. TOWNEND and SONS LTD., ((1979) 2 ALL E.R. 927) (See S.SYED MOHIDEEN V. P.SULOCHANA BAI ((2016) 2 Supreme Court Cases 683).

8. A party, who comes to the Court, has to establish the three basic requirements as mentioned above, while seeking an order of protection. An actual injury is not a *sine qua non* and thus, likelihood of damage would suffice. A misrepresentation by the defendant to the public may or may not be intentional. What is sufficient is that an action qua a defendant, which leads or likely to lead a prospective customer to believe that the goods or services offered by it are that of the plaintiff. Such a deception can either be proved on evidence and if not by the decree of probability, of course, to the satisfaction of the Court.

7.2. The scope of passing off vis-a-vis an infringement has been dealt with by the Apex Court in a recent judgment in SYED MOHIDEEN MOHIDEEN V P.SULOCHANA BAI ((2016) 2 Supreme Court Cases 683). The following passage of the said judgment is apposite.

31.1. Traditionally, passing off in common law is considered to be a right for protection of goodwill in the business against misrepresentation caused in the course of trade and for prevention of resultant damage on account of the said misrepresentation. The three ingredients of passing off are goodwill, misrepresentation and damage. These ingredients are considered to be classical trinity under the law of passing off as per the speech of Lord Oliver laid down in the case of Reckitt and Colman Products Ltd. v. Borden Inc MANU/UKHL/0012/1990 : (1990) 1 AllE.R. 873 which is more popularly known as "Jif Lemon" case wherein the Lord Oliver reduced the five guidelines laid out by Lord Diplock in Erven Warnink v. Townend and Sons Ltd. [1979) AC 731, 742 (HL)] (the "Advocate Case") to three elements: (1) Goodwill owned by a trader, (2) Misrepresentation and (3) Damage to goodwill. Thus, the passing off action is essentially an action in deceit where the common law rule is that no person is

entitled to carry on his or her business on pretext that the said business is of that of another. This Court has given its imprimatur to the above principle in the case of Laxmikant V. Patel v. Chetanbhat Shah and Anr. MANU/SC/0763/2001 : 2002 (2) R.C.R. (Civil) 357 : (2002) 3 SCC 65.

31.2. The applicability of the said principle can be seen as to which proprietor has generated the goodwill by way of use of the mark name in the business. The use of the mark/carrying on business under the name confers the rights in favour of the person and generates goodwill in the market. Accordingly, the latter user of the mark/name or in the business cannot misrepresent his business as that of business of the prior right holder. That is the reason why essentially the prior user is considered to be superior than that of any other rights. Consequently, the examination of rights in common law which are based on goodwill, misrepresentation and damage are independent to that of registered rights. The mere fact that both prior user and subsequent user are registered proprietors are irrelevant for the purposes of examining who generated the goodwill first in the market and whether the latter user is causing misrepresentation in the course of trade and damaging the goodwill and reputation of the prior right holder/former user. That is the additional reasoning that the statutory rights must pave the way for common law rights of passing off.

32. Thirdly, it is also recognized principle in common law jurisdiction that passing off right is broader remedy than that of infringement. This is due to the reason that the passing off doctrine operates on the general principle that no person is entitled to represent his or her business as business of other person. The said action in deceit is maintainable for diverse reasons other than that of registered rights which are allocated rights under Recent Civil Reports the Act. The authorities of other common law jurisdictions like England more specifically Kerry's Law of Trademarks and Trade Names, Fourteenth Edition, Thomson, Sweet and Maxwell South Asian Edition recognizes the principle that where trademark action fails, passing off action may still succeed on the same evidence. This has been explained by the learned Author by observing the following:--

15-033 "A claimant may fail to make out a case of infringement of a trade mark for various reasons and may yet show that by imitating the mark claimed as a trademark, or otherwise, the Defendant has done what is calculated to pass off his goods as those of the claimant. A claim in "passing off' has generally been added as a second string to actions for infringement, and has on occasion succeeded where the claim for infringement has failed"

32.1. The same author also recognizes the principle that Trade Marks Act affords no bar to the passing off action. This has been explained by the learned Author as under:--

15-034 "Subject to possibly one qualification, nothing in the Trade Marks Act 1994 affects a trader's right against another in an action for passing off. It is, therefore, no bar to an action for passing off that the trade name, get up or any other of the badges identified with the claimant's business, which are alleged to have been copies or imitated by the Defendant, might have been, but are not registered as, trade marks, even though the evidence is wholly addressed to what may be a mark capable of registration. Again, it is no defense to passing off that the Defendant's mark is registered. The Act offers advantages to those who register their trade marks, but imposes no penalty upon those who do not. It is equally no bar to an action for passing off that the false representation relied upon is an imitation of a trade mark that is incapable of registration. A passing off action can even lie against a registered proprietor of the mark sued upon. The fact that a claimant is using a mark registered by another party (or even the Defendant) does not of itself prevent goodwill being generated by the use of the mark, or prevent such a claimant from relying on such goodwill in an action against the registered proprietor. Such unregistered marks are frequently referred to as "common law trade marks".

7.3. A person complaining of passing off has a broader remedy as against the act of infringement for the reason that it involves deceit and confusion. For the aforesaid purpose, a mere likelihood would be sufficient. Likewise, a right against passing off can be asserted even as against a registered mark holder and in the absence of a registration of a mark or a design as the case may be in favour of the

applicants. The said principle has also been reiterated by the High Court of Delhi in the decision of the Full Bench in MOHAN LAL, PROPRIETOR OF MOURYA INDUSTRIES V. SONA PAINT and HARDWARES(2013(55) PTC 61).

7.4. Passing off is an action meant to protect and preserve the reputation of a party. The said concept has also got an element of public interest as it intends to protect the public against the fraudulent sale by way of imitation, which might indirectly affect the quality of the product copied. In such a case, it is not absolutely necessary for the applicants to prove long user to establish reputation and goodwill. The test for likelihood of confusion is through the eyes of a man of imperfect recollection with an ordinary memory. Incidentally, it can also be seen from the point of view of the end user. In this context, the following paragraphs of the Apex Court in SATYAM INFOWAY LTD., VS. SIFYNET SOLUTIONS PVT. LTD., ((2004) 28 PTC 566) is apposite.

12. The next question is would the principles of trade mark law and in particular those relating to passing off apply? An action for passing off. as the phrase "passing off itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff's. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public. The defendant must have sold its goods or offered its service in a manner which has deceived or would be likely to deceive the public into thinking that the defendant's goods or services are the plaintiff's. The action is normally available to the owner of a distinctive trademark and the person who, if the word or name is an invented one. invents and uses it. If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed. The question is, as has been aptly put, who gets these first? It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.

13. The second element that must be established by a plaintiff in a passing off action is misrepresentation by the defendant to the public. The word misrepresentation does not mean that the plaintiff has to prove any malafide intention on the part of the defendant. Ofcourse, if the misrepresentation is

intentional, it might lead to an inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to plaintiff. What has to be established is the likelihood of confusion in the minds of the public, (the word "public" being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion the courts must allow for the "imperfect recollection of a person of ordinary memory"

29. What is also important is that the respondent admittedly adopted the mark after the appellant. The appellant is the prior user and has the right to debar the respondent from eating into the goodwill it may have built up in connection with the name.

30. Another facet of passing off is the likelihood of confusion with possible injury to the public and consequential loss to the appellant. The similarity in the name may lead an unwary user of the internet of average intelligence and imperfect recollection to assume a business connection between the two. Such user may, while trying to access the information or services provided by the appellant, put in that extra 'f' and be disappointed with the result. Documents have been filed by the respondent directed at establishing that the appellant name Sify was similar to other domain names such as Scifinet, Scifi.com etc. The exercise has been undertaken by the respondent presumably to show that the word 'Sify' is not an original word and that several marks which were phonetically similar to the appellants' trade name are already registered. We are not prepared to deny the appellant's claim merely on the aforesaid basis. For one, none of the alleged previous registrants are before us. For another, the word 'sci- fi is an abbreviation of 'science fiction' and is phonetically dissimilar to the word Sify. (See Collins Dictionary of the

English Language).

7.5. A passing off action would lie where there exists a similarity of get up between the products which in turn would satisfy the test of likelihood of confusion and

deceit. A useful reference can be made to the following passage in RUSTON AND HORNBY LTD. V. ZAMINDARA ENGINEERING CO. (AIR (1970) Supreme Court 1649).

5. It very often happens that although the defendant is not using the trade mark of the plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get up of the defendant's goods may be so different from the get up. of the plaintiff's goods and the prices also may be so different that there "would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the: defendant is improperly using the plaintiff's mark.

6. The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject to. other restrictions laid down in ss. 30, 34 and 35 of the Act. On the other hand the gist of a passing off action iS that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get-up of B's goods has become distinctive of them and that there is. a probability of confusion between them and the goods of A. No. case of actual deception nor any actual damage need be proved.

7.6. While deciding a case of passing off with reference to the similarity, the Court has to see the products of both sides as a whole. This might include the shape, get up, label, package and the colour scheme. If the combined features indicate a similarity to a naked eye, the consequence will have to flow. In such a case, the onus is on the respondent to give a plausible explanation to justify its adoption. This onus will become more pronounced when the applicants are the market leader and prior user. When we take about distinctiveness, it includes that of the products as a whole as well as a single one. In other words, the commonality governing the products along with the distinctiveness of a single product are factors for consideration against a violator. Ultimately, the Court has to sit in the arm chair of an end user and decide. So is the case with distinctiveness. The

substantial volume of sale is a primary indicator of the distinctiveness of a product. However, these factors will have to be seen on the facts of each case.

7.7. The concept of initial interest confusion would certainly constitute a case of passing off . There need not be any evidence of actual confusion and deception. In BAKER HUGHES LIMITED AND ANOTHER V. HIROO KHUSHALANI AND ANOTHER (1998 (18) PTC 580 Del.), the High Court of Delhi has held as follows:

54.....There can be an informed class of purchasers who have a degree of knowledge and a sense of discrimination more substantial than that of an ordinary purchaser, but the mere fact that the customers are sophisticated, knowledgeable and discriminating does not rule out the element of confusion if the trade marks/trade names/corporate names of two companies are identical or if the similarity between them is profound. In several cases it has been held that initial confusion is likely to arise even amongst sophisticated and knowledgeable purchasers under a mistaken belief that the two companies using the same corporate name, trading name or style are inter-related. It is the awakened consumers who are more aware of the modern business trends such as trade mark licensing, mergers, franchising, etc. It is this class of buyers who are likely to think that there is some sort of association between the products of two different companies when they come across common or similar trade names or corporate names or trading styles used by them. The sophistication of a buyer is no guarantee against likely confusion. In some cases, however, it is also possible that such a purchaser after having been misled into an initial interest in a product manufactured by an imitator discovers his folly, but this initial interest being based on confusion and deception can give rise to a cause of action for the tort of passing off as the purchaser has been made to think that there is some connection or nexus between the products and business of two disparate companies. This view finds support from various decisions gathered in Section 20.12 of the Filing Instructions 1988, Fall Cumulative Supplement from Callmann 'Unfair Competition, Trademarks and Monopolies'. This section reads as under:

"But even apart from the doctrine of greater care, if the manner of purchasing becomes routine, the possibility of confusion can arise notwithstanding the

expertise of the purchasers (Layne-Western Co. Vs. Fry, 174 F Supp 621 (CCPA 1960). The mere fact that all the customers are discriminating technicians does not by itself insure against confusion; being skilled in the relevant art does not necessarily preclude confusion if the similarity between the marks is great (Wincharger Corpn. Vs. Rinco, Inc., 297 F2d 261 (CCPA 1962). "The words 'sophisticated' and 'knowledgeable' are not talismans which, when invoked, act magically to dissipate a likelihood of confusion. It must also be shown how the purchasers react to trademarks, how observant and discriminating they are in practice, or that the decision to purchase involves such careful consideration over such a long period of time that even subtle differences are likely to result in a recognition that different marks are involved before an irrevocable decision is made" (Refreshment Mach., Inc. Vs. Reed Industries, Inc.,196 USPQ 840 (TTAB 1977)."

xx xx xx

"In some cases it has been held that a different type of confusion, referred to as "initial confusion," is likely to arise even among sophisticated purchasers. As one Court has said: "by intentionally copying the trade mark of another more established company, one company attempts to attract potential customers based on the reputation and name built up by the first user, the older company. The danger here is not that the sophisticated purchaser [in the oil trading market] will actually purchase from Pegasus Petroleum believing that he has purchased from Mobil [Oil Co.]; the danger is that the purchaser will be misled into an initial interest in Pegasus Petroleum based on a mistaken belief as to the two companies' inter relationships [Mobil Oil Corp. Vs. Pegasus Petroleum Corp., 229 USPQ 890].

It has also been suggested that sophisticated consumers, being more aware of such modern business trends as trademark licensing and conglomerate mergers, are more rather than less likely to suspect some association between disparate companies or products when they see what appears to be one company's mark on another's product [Lois Sportswear, USA, Inc. Vs. Levi Straus and Co., 230 USPQ 831, 837 (CA2, 1986)]."

55. In John Hayter's case (supra) the Court failed to notice the principle that even the informed, sophisticated and knowledgeable customers suffer from initial confusion where the corporate names, trade names or trade marks of two different companies are the same or similar to each other. Therefore, the view expressed in the case does not commend to me and compels me to respectfully depart from the same.

7.8. The Apex Court in MAHENDRA and MAHENDRA PAPER MILLS V. MAHINDRA and MAHINDRA LTD., (AIR 2001 Supreme Court 117) held as under.

15. This question has been considered by different High Courts and this court in umpteen cases from time to time. On analysis of the principles laid down in the decisions, certain recognised parameters relating to the matter have emerged. Without intending to be exhaustive some of the principles which are accepted as well settled may be stated, thus, that whether there is a likelihood of deception or confusion arising is a matter for decision by the court, and no witness is entitled to say whether the mark is likely to deceive or to cause confusion; that all factors which are likely to create or allay deception or confusion must be considered in combination; that broadly speaking, factors creating confusion would be, for example, the nature of the market itself, the class of customers, the extent of the reputation, the trade channels, the existence of any connection in course of trade, and others.

7.9. Thus, while dealing with the case of passing off, the Court may not be concerned with the trade mark of the parties, but the similarity involving the get up of the goods as held by the Apex Court in RUSTON AND HORNBY LTD. V. ZAMINDARA ENGINEERING CO. (AIR (1970) Supreme Court 1649) stated supra.

7.10. There is a small difference between an act of passing off in general and product passing off . In dealing with the product passing off apart from the factors, such as, shape, get up, let out, package and colour scheme, overall configuration/appearance are relevant factors. The concept of novelty has to be seen in the context of each case. In SELVEL INDUSTRIS V. OM PLAST (INDIA) (Notice of Motion (L) No.1434 of 2016 in Suit (L) No.439 of 2016 dated 30.06.2016

and 01.07.2016), the High Court of Mumbai dealt with the said proposition of law in the following manner.

45. Dr. Saraf relies on the decision of Mr. Justice Kathawalla in Whirlpool of India Ltd v Videocon Industries Ltd.27 It related to two washing machines. Both parties were prominent manufacturers and vendors. The pronouncement of law in paragraph 26 is comprehensive. The entire approach, as settled in law, has been set out. I can do no better than reproduce this in full.

"26. The question of what tests are to be applied in deciding what constitutes an obvious imitation and/or is actionable is no longer res integra. This question has been considered in several judicial pronouncements. The leading decisions on the point are the decisions in the case of (Castrol India Limited Vs. Tide Water Oil Co. (I) Limited), 1996 P.T.C. (16) 202 and Kemp and Co., Vs. Prima Plastics Limited, 1999(1) Bom.C.R. 239 (O.S.) : 101(1) Bom.L.R. 65. In both the decisions, the Kolkata High Court and the Bombay High Court have laid down the following propositions as constituting the test to decide whether there is obvious imitation and/or piracy of a registered design.

Castrol India Limited Vs. Tide Water Oil Co. (I) Limited: (supra)

(i) The word 'imitation does not mean 'duplication' in the sense that the copy complained of need not be an exact replica.

(ii) The Court is required to see in particular as to whether the essential part or the basis of the Plaintiff's claim for novelty forms part of the infringing copy.

(iii) The similarity or difference is to be judged through the eye alone and where the article in respect of which the design is applied is itself the object of purchase, through the eye of the purchaser.

(iv) The Court must address its mind as to whether the design adopted by the Defendant was substantially different from the design which was registered. The court ought to consider the rival designs as a whole to see whether the impugned design is substantially different from the design sought to be enforced. (The test laid down on (Benchchairs Ltd. C. Chair Center Ltd.), 1974 R.P.C. 429 was cited

with approval).

(v) 'Obvious' means something which, as soon as one looks at it, strikes one as being so like the original design/the registered design, as to be almost unmistakable. Fraudulent imitation is an imitation which is based upon, and deliberately based upon, the registered design and is an imitation which may be less apparent than obvious imitation, that is to say, one may have a more subtle distinction between the registered design and a fraudulent imitation and yet the fraudulent imitation, although it is different in some respects from the original, and in respect which render it not obviously an imitation may yet be an imitation perceptible when the two designs are closely scanned and accordingly amounts to infringement. (The test laid down in (Dunlop Rubber Co. Ltd. Vs. Golf Ball Developments ltd.), (1931) XLVIII R.P.C. 279 was cited with approval.

Kemp and Co., vs. Prima Plastics Limited: (supra) (i) If the visual features of shape, configuration pattern designs are similar or strikingly similar to the eye, it is not necessary that the two designs must be 30th June and 1st July 2016 Selvel Industries and Anr. v Om Plast (India) NMSL1434-16-SL439-16-SELVEL-F.DOC exactly identical and same. The matter must be looked at as one of substance and essential features of the designs ought to be considered.

(ii) In a given case, where the registered design is made up of a pattern which has no one striking feature in it, but it appears to the eye as a whole, it may very well be that another design may be an imitation of it which makes the same appeal to the eye notwithstanding that there are many differences in the details. (The opinion of Farewell J. in Dunlop Rubber Co. Ltd. Vs. Golf Ball Developments Ltd..) 1931 XLVIII R.P.C. 279 was cited with approval).

(iii) In comparing rival designs the Court is required to see whether the impugned design/product is substantially different to the design which is sought to be enforced.

The aforesaid tests have been independently applied and/or followed in a series of judgments of various High Courts, including judgments in (JN Electricals (India) Vs. M/s. President Electricals), I.L.R. 1980 (1) Del. 215 (paras 24-25); (Alert India

Vs. Naveen Plastics), 1997 P.T.C. 17 (para 36); (Hindustan Sanitaryware Vs. Dip Craft Industries), 2003 (26) P.T.C. 163 (Del.) (Para 8) and (Dabur India Vs. Amit Jain and anr.), 2009(39) P.T.C. 104 (Del.) (D.B.)"

46. The Whirlpool decision is also important for an additional reason. In paragraph 33 Mr. Justice Kathawalla addressed himself to the question of an overall similarity and rejected out of hand the argument that minor variations a knob here, an outlet there -- were of any relevance. Once a Court concludes that there has been copying, cosmetic differences are irrelevant, and an involved 30th June and 1st July 2016 Selvel Industries and Anr. v Om Plast (India) NMSL1434-16-SL439-16-SELVEL-F.DOC enquiry is unnecessary. Where a copy is shown, the question of "substantiality" does not arise.

8. With the aforesaid principles of law, the contentions raised by the learned counsels can be gone into now.

9. Submissions of the Applicants:

9.1. The learned counsel appearing for the applicants submits that it is a clear case of fraud and dishonesty on the part of the respondent in adopting a verbatim imitation of the products. The applicants have established its reputation and goodwill. Such a reputation has to be seen as a whole. In the market, the products are known as Tupperware Products . Both the parties are indulging in the very same business. It is not, as if, the applicants are doing only door to door direct business. The said business is done by the distributors of the applicants. They are also available in the market as is the case of the respondent. The rejection of the application before the Delhi High Court is not a bar. The products in both cases are different. All the three products cannot be imitated leading to an act of co-incidence. The distinctiveness has to be seen as a whole. The end user has also to be seen. The principle governing delay, laches and acquiescence would not come as the fraud is being committed continuously and thus, the cause of action also runs along with it as held by the Division Bench of Delhi High Court in PANKAJ GOEL V. DABUR INDIA LIMITED ((2008) 38 PTC 49 Del. (DB)).

9.2. The learned counsel also seeks to distinguish the decisions relied on by the respondent and submitted that they do not apply to the case on hand. On facts, it is submitted that both the products of the parties look exactly the same. In fact, the learned counsel placed products of the applicants and the respondent before this Court in support of his said submission. The learned counsel has also relied on the following judgments.

1. BANANA BRAND WORKS PVT. LTD., V. KAVAN ANTANI AND OTHERS ((2016) 4 Law Weekly 33);

2. SYED MOHIDEEN V. P.SULOCHANA BAI ((2016) 2 Supreme Court Cases 683);

3. MOHAN LAL, PROPRIETOR OF MOURYA INDUSTRIES V. SONA PAINT and HARDWARES (2013 (55) PTC 61).

4. DART INDUSTRIES INC AND ANOTHER V. TECHNO PLAST AND OTHERS FAO(OS) 326/2007 dated 21.07.2016;

5. SATYAM INFOWAY LTD., VS. SIFYNET SOLUTIONS PVT. LTD., ((2004) 28 PTC 566);

6. BAKER HUGHES LIMITED AND ANOTHER V. HIROO KHUSHALANI AND ANOTHER (1998 (18) PTC 580 Del.);

7. MAHENDRA and MAHENDRA PAPER MILLS V. MAHINDRA and MAHINDRA LTD., (AIR 2001 Supreme Court 117);

8. RUSTON AND HORNBY LTD. V. ZAMINDARA ENGINEERING CO. (AIR (1970) Supreme Court 1649);

9. PANKAJ GOEL V. DABUR INDIA LIMITED ((2008) 38 PTC 49 Del. (DB));

10. CADILA HEALTH CARE LTD. V. CDILA PHARMACEUTICALS LTD., ((2001) 5 Supreme Court Cases 73).

10. Submissions of the Respondent:-

The learned counsel appearing for the respondent submits that the suit is not maintainable in view of the delay, laches and acquiescence. The advertisement made in the year 2011 indicates these products as well. The order passed by the Division Bench *inter se* parties by the High Court of Delhi would also govern the case. The applicants have not shown any distinctiveness qua the shape of the products. Thus, even copying is allowed. In support of his contention, reliance has been made on the following judgments.

1. M/S KEMP and COMPANY AND NAOTHER V. M/S PRIMA PLASTICS LTD.,(1999(1) Bombay CR 239);

2. M/S ARAVIND LABORATORIES V. MODICARE (2011 (4) Law Weekly 55);

3. MOROCCANOIL ISRAEL LIMITED V. ALDI STORES LIMITED (2014) EWHC 1686 (IPEC)) and

4. SOCIETE DES PRODUCTS NESTLE SA V. CADBURY UK LTD., (2016) EWHC 50 (Ch) 11. DISCUSSION:-

11.1. The concept of delay, laches and acquiescence is one of practice and prudence. They will have to be seen from case to case and thus, not part of law in its strict sense. A mere delay by itself is not a ground to deny a relief to a party if other parameters are made out. In the case of hand, the earlier suit was laid in the year 2011 and thus, atleast till that period there is no question of delay, laches and acquiescence. All the three products are stated to be used much prior to the usage of the respondent. The said suit is pending is an important factor to notice. It is the case of the applicants that the products, which are the subject matter of the present suit, were not very visible in the publication made and in any case, due verification was done with the other products with respect to the volume of sale made by the respondent. These averments are quite sufficient. In other words, there is no sufficient material to show that despite the knowledge, the applicants did not include these products in the earlier suit. The applicants would have certainly included them in the earlier suit if known already and it can never be said that applicants knew at the time of filing the earlier suit, they would not get any interim orders. Now the cause of action is well available within the territorial

jurisdiction of this Court. For the said purpose, the averments made in the plaint alone will have to be seen. The respondent, even at the time of filing the earlier one at Delhi by the applicants, has started the act of passing off. After all, the applicants are continuing their battle from the year 2011 onwards. Thus, prima facie, this Court is unable to come to the conclusion that the are in knowledge of the products of the respondent in the year 2011 and thereafter, till the filing of the suit. Therefore, looking from any perspective, this Court is not inclined to decline the relief on the grounds of delay, laches and acquiescence.

11.2. The issue pertaining to the lack of jurisdiction also cannot be a ground to dismiss the application, which is filed under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure. After all, the respondent has not filed any application under Order VII Rule 14 of the Code of Civil Procedure or to revoke the leave granted. Suffice it is to state that the averments available in the plaint as a whole would prima facie satisfy the maintainability of the suit.

11.3. Submissions have been made on the applicability of the order of the Division Bench of the Delhi High Court. This Court is afraid that the said decision while confirming the order of the learned single Judge, does not have any application to the case on hand. As extracted earlier, paragraphs 15 to 16 c of the plaint, contain sufficient averments for a right under passing off . The Delhi High Court found that there is no pleadings and evidence, except with respect to the trade mark. When there is no pleading there cannot be any evidence. Further more, here, the products are different. Even otherwise, for the same products, the very same High Court has granted an order of interim injunction against a third party subsequently. The facts are different. Thus, the decision rendered by the Division Bench of Delhi High Court confirming the order of the learned single Judge will not help the case of the respondent.

11.4. Coming to the issue of distinctiveness of the shape, the contentions raised by the respondent also deserves to be rejected. In the case on hand, it is not only a issue of shape, but the wholesome features governing the products. The learned counsel for the respondent also, on a query raised by this Court, submits that the products look like the same. It is not only the shape but the colour scheme, get up

and the entire trade dress are one and the same. Admittedly, the applicants are the prior users having substantial volume. Both the applicants and the respondent are doing the same business. The general understanding has to be seen from the point of view of the end user, who is a home maker. In a common parlance the products are called Tupperware . The reputation as Tupperware has to be injected into the three products.

In other words, the products are known by the name Tupperware than the individual names. Incidentally, they are identical with the nature of the usage. Thus, the reputation and the goodwill are to be seen and extended to all the products. When the respondent copies all the three products of the applicants, they have much explanation to do. The intention appears to encroach upon the market share acquired by the applicants by using their reputation and goodwill. The concept of initial interest confusion would certainly come into play. It is not a simple case of copying a shape, but three distinct products introduced by the applicants. The products of the respondent are consummate imitation. That the applicants have not taken action against the few other violators cannot be a ground to escape from the rigour of an order of injunction. A mere comparison of the product alone would suffice to come to a conclusion of the deceit qua the respondent. Thus, in the case on hand, the respondents are liable for product passing off.

11.5. It is not, as if, all the sales are made directly. Even according to the respondent, the products are available in the retail markets and some shops. Rather it is not its case that products of the applicants are not available in the retail market. Even otherwise, a relief cannot be rejected on that sole basis. In this case, goodwill, reputation, damage, confusion and deceit both likelihood and actual deception are available. The concept of distinctiveness is not restricted to the shape but also to the product. It is a case of repeated imitation of various products. The goodwill and reputation which has to be seen from the point of the product, which the respondent in this case copied. There appears to be an apparent lack of bona fides qua the respondent. Hence, the facts are too clear and heavily loaded against the respondent and thus, the applicants have made out a case for an order of interim injunction.

11.6. The decisions relied upon by the learned counsel for the respondent do not have any application to the case on hand. The English decisions can at best be persuasive. They have to be seen on the context of the said cases. While one case involves the shape, the other is based upon evidence. We are not dealing with the case of infringement, but passing off.

12. In the result, Application No.1102 of 2015 is ordered. There shall be an order of interim injunction as prayed for. Application No.6797 of 2015 is not ordered since this Court does not find any need at this stage to presume a wilful disobedience on the part of the respondent. However, it is made clear that the respondent is at liberty to approach this Court seeking any modification after making necessary changes to the satisfaction of the Court to bring its products out of the purview of an action for passing off. No costs.