

(1999) 09 DEL CK 0122

In the Delhi High Court

Case No : IA. No. 3329/99 in Suit No. 601/99

Frito-Lay India and Another

APPELLANT

Vs

Amit Goswamy and Another

RESPONDENT

Date of Decision : 17-09-1999

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2

Citation : (1999) 6 AD 653 : (1999) 82 DLT 113 : (1999) 19 PTC 647

Hon'ble Judges : S.K. Mahajan, J

Bench : Single Bench

Advocate : Mr. Mukul Rohtagi and Ms. Pratibha Singh, for the Appellant; Dr. A.M. Singhvi and Ms. Malini Sood, for the Respondent

Judgement

S.K. Mahajan, J.—plaintiff No.1 is a subsidiary of Pepsico India Holdings Limited which in turn is a subsidiary of plaintiff No. 2 Pepsico Inc., a corporation existing under the laws of the United States of America. plaintiff No.1 is engaged in the manufacture and sale of a variety of snack products including potato chips. With a view to promoting its snack food products plaintiff No. 1 launched a promotional campaign by giving free collectibles in the form of round discs with or without grooves with each packet of its Lays & Cheetos chips. Though it is alleged in the plaint that this promotional campaign for promotion of the snack food products of the plaintiffs is prevalent in several countries in the world since 1992-93, in India the campaign was launched in or about September, 1998.

2. Defendant No. 2 is also a leading manufacturer of potato chips being marketed under the name and style of "Uncle Chips". In order to boost the sale of its products defendant No. 2 in March, 1999 also started its promotional programme by distributing free collectibles in the form of round discs. While the discs being distributed by the plaintiffs were known as TAZO, defendant No. 2 started distributing free collectibles in the form of discs under the mark of AMAZZO. This attempt on the part of defendant No. 2 to distribute free collectibles in the form of round discs was alleged to be a deliberate act of piracy and copying of the disc

being distributed by the plaintiffs in which the plaintiffs allegedly had a copyright. The plaintiffs, Therefore, filed this suit for injunction restraining the defendants from issuing free collectibles in the form of circular discs with or without grooves with their products under the mark AMAZZO or any other mark.

3. It was alleged by the plaintiffs that not only that the defendants were trying to encash upon the reputation and goodwill of the plaintiffs in the promotional campaign of distribution of free discs but the free discs being distributed by the defendants were also an attempt on their part to infringe the copyright of the plaintiffs in the discs and also an attempt to pass off its products as those of the plaintiffs. The further attempt of defendant No. 2 to distribute its disc under the mark AMAZZO was also alleged to be unfair competition on the part of the said defendant inasmuch as not only that the disc being distributed was similar but there was phonetic similarity in the two marks. Along with the suit the plaintiffs filed an application for an interim injunction restraining the defendants from issuing free collectibles in the form of circular discs with or without grooves with their products under the marks AMAZZO or any other mark which was identical or deceptively similar to the plaintiffs' mark TAZO. By this order I propose to dispose of this application of the plaintiffs for the grant of an ad interim injunction.

4. The case as set up in the plaint is that in or about March 1992-93 plaintiff No. 2 had started one of the biggest promotional campaign in Mexico in relation to snack foods by giving of free collectibles in the form of round discs with each packet of snack food. The key elements of these discs were: (1) that they were circular, (2) they had grooves with one big groove which was utilised for making the circular discs fly, (3) they were 4.5 cms in diameter and 1.0 mm thick, (4) they had characters printed on one side and trade mark printed on the other side. These discs were introduced in series. The campaign involved giving a free disc with every packet of snack food. The disc was inserted into every packet and had various cartoon figures and comic characters which were favorites of kids. Extensive advertisement and publicity was given, mainly directed at young children so as to induce them to collect the discs which would lead to boost in the sales of the plaintiffs' products. These discs could be used for playing certain games, two of which were mentioned as: (a) Connect "N" Fly; and (b) Stack, Whack & Win. Under the first game the two Tazos (discs) were connected in the special bigger grooves made for the purpose like a catapult and when one of the TAZO was pulled the other TAZO could fly. While in the other game a pile of TAZO was made with pictures face down with player taking turns to whack the pile with the striker.

5. It was alleged that after the initial experience in Mexico these discs were introduced in several countries of the world. In order to promote the discs, various shows/events were allegedly organized which included championships, sales contests, T.V. Shows, demonstrations etc. The discs were alleged to be mega success and the number of discs that had been circulated since the

introduction allegedly ran into millions. The plaintiffs allegedly paid huge sum of royalty to the companies owing the intellectual property rights in the various characters printed on the discs and had entered into number of license agreements with the said companies. It is alleged that the expression of the concept of giving free collectibles in the form of circular discs with which large number of games could be played is something which the plaintiffs have done successfully all over the world and the children had identified these discs as representative and distinctive of the goods of the plaintiffs. They are alleged to be property of the plaintiffs in which the plaintiffs had exclusive monopoly and the manner in which these discs have been translated into a commercial success have also been alleged to be unique to the plaintiffs alone.

6. Since the launch of this disc with the plaintiffs' products in India the sales of the plaintiffs between the period September, 1998 to February 1999 has allegedly increased by 87% in comparison with the sales for the same period of the previous year. The plaintiffs have also allegedly got the mark/logo registered in several countries and have also applied for its registration with the Registrar of Trade Marks in India on 2.6.1995 and 27.10.1995. The disc is also allegedly patented in the United States. It is alleged that the use of any identical or similar method to promote sales of any product by using circular sheet disc of a similar kind with characters printed on them in series or otherwise amounted to the infringement of the plaintiffs' copyright in the format, games, compilation etc. which were alleged to be literary work capable of protection under the Copy Right Act. The plaintiffs were alleged to be the owners of the artistic work, the literary work and all other original works in these discs including the drawings and engravings etc. and appropriation of the same by any person to promote sales of its products was alleged to be an infringement of the plaintiffs' right.

7. It is alleged in the plaint that on 17.3.1999 it came to the knowledge of the plaintiffs that defendant No. 2 was intending to launch introduction of free collectibles with its potato chips in the form of discs which were alleged to be identical to the plaintiffs' discs. These discs were intended to be marketed under the mark AMAZZO which was alleged to be deceptively similar to the TAZO mark of the plaintiffs. It is alleged that the defendants had copied the discs of the plaintiffs inasmuch as not only that the mark was phonetically similar but the defendants also intended to distribute free collectibles with potato chips as in the case of the plaintiffs. Both the discs were alleged to be circular and the discs of the defendants also had a similar groove as that of the plaintiffs' discs. The dimension of the discs were also alleged to be identical and were intended to be introduced by the defendants in series. It is alleged that the defendants having picked up the promotional campaign off the shelf, great harm and injury would be caused to the plaintiffs in case they were allowed to sell their products with the disc in which the plaintiffs allegedly had the copyright. It is alleged that the adoption of the identical disc under a deceptively similar trade mark for sales promotion activities will create confusion amongst the children which amounts to passing off. It is further alleged that the children will believe that the disc

circulated by the defendants under the name AMAZZO was introduced by the plaintiffs under a different series. The adoption of an identical disc constituted an infringement of the artistic work of the plaintiffs under the Copyright Act and in any case was an act of unfair competition.

8. When the suit came up for hearing for the first time on 19.3.1999 the defendants were also represented by their counsel and a statement was made on their behalf that though the defendants had not yet launched a television campaign using the AMAZZO disc as a part of their campaign, however, they intend to start the campaign shortly. It was also stated by the defendants that till the next date of hearing the defendants would not launch their T.V. campaign with AMAZZO. This statement made by the defendants on 19.3.1999 is continuing. Except for no launching their T.V. campaign with AMAZZO the defendants are continuing to sell their products with or without distribution of free collectibles in the form of circular disc.

9. In the written statement it was stated by the defendants that there was no infringement of the trade mark since the alleged trade mark was not registered under the Trade & Merchandise Marks Act and the design of the disc having not been registered under the Designs Act, there cannot be any violation of the copyright in respect of the design. It is also stated that not only that there were radical differences between the promotional items involved but there cannot also be any passing off in respect of the promotional campaign where no passing off in respect of the main product i.e. the packets of potato chips was alleged. The name AMAZZO was stated to be an adaptation of the word "Amazing" and also arrived at by telescoping the Hindi phrase "Aao Maza Lo", consciously chosen so as to rhyme with the catch line of the defendants' advertising campaign "Aao Maza Lo". It was also alleged that there were radical differences in the phonetic and writing of the opening part of the two promotional items namely AMAZZO and TAZO and the practice of offering such promotional items/gifts to children was nothing new and owed its origin to the well established concept of "pogs" or "milk cap" games as mentioned in the written statement. It is also the defendants' case that defendant No. 2 was amongst the first in the country to introduce packaged potato chips in airtight poly bags in the year 1987 and had established immense reputation and goodwill in the market over the years. The products of defendant No. 2 being marketed under the name and style of "Uncle Chips" had allegedly become a household name in the category of potato chips in India and was allegedly rated by "A&M" Magazine in their survey as amongst the top 30 most admired marketing companies of India for the past two years. Defendant No. 2, it is alleged, was a pioneer in several marketing and sales promotion schemes in order to popularise their brands of "Uncle Chips" inasmuch as they had been giving free collectibles in the form of gifts along with packet of chips right from 1987. These gifts included pen and diary, lunch box, tattoos, crystal jar etc. These promotional schemes, according to the defendants, had always been received with great enthusiasm and added to the brand equity and the strength of the defendants' trade name "Uncle Chips".

10. The arguments of the plaintiffs in support of its claim for injunction can be broadly divided into the following heads:-

(i) right in the promotional campaign; (ii) copyright in the disc as well as in the games; (iii) exclusive right to the word TAZO or an identical or deceptively similar word; and (iv) unfair/dishonest competition.

11. In support of his submissions, Mr. Rohtagi, learned Senior counsel, appearing for the plaintiffs, has relied upon the following cases:-

Lincoln Industries Limited Vs. Wham-O Manufacturing Company and Others 3 IPR 115; Escorts Construction Equipment Limited Vs. Action Construction Equipment Private Limited & Another (77) 1999 DLT 276; Puneet Industrial Controls Private Limited Vs. Classic Electronics 1997 (17) PTC 161; Classic Electronics Vs. Puneet Industrial Control Private Limited 1997 (17) PTC 178; Rai Toy Industries and Others Vs. Munir Printing Press 1982 PTC 85; Politechnika Ipari Szovetkezet and Others Vs. Dallas Print Transfers Limited, 1982 FSR 529; Ladbroke Football Vs. William Hill 1964 (1) All ER 465; POP-A-SHOT INC. and Another Vs. Filtration and Pumping (Commercial) Limited and Others 14 IPR 451; Elide Gibbs Limited Vs. Colgate Palmolive Limited 1983 FSR 95; CMM Cable Rep. INC. Vs. Creative Media Management 870 F. Supp. 631; Dr. Pepper Company Vs. Sambo's Restaurants Inc. 517 F.Supp. 1202; Illustrated Newspapers Limited Vs. Publicity Services 1938(1) All ER 321; K.R. Chinna Krishna Chettiar Vs. Shri Ambal and Co., Madras and Another, ; Amritdhara Pharmacy Vs. Satyadeo Gupta, ; Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., ; Mc Carthy on Trade Marks & Unfair Competition (Para 24.03); Kerly's Law of Trade Marks & Trade Names (Para 16-01A); Reckitt & Coleman Vs. Borden 1990 RPC 341; Erven Warnink by and Others Vs. J. Townend & Sons (Hull) Limited and Others 1979 (2) All E.R. 927; Raja Pocket Books Vs. Radha Pocket Books 1997 PTC 84; Lever Vs. Goodwin 4 RPC 492; Metropol India (Private) Limited Vs. Praveen Industries India 1996 PTC 779.

12. It is Mr. Rohtagi's contention that it was the plaintiffs' idea to distribute free collectibles in the form of disc with or without grooves as a part of its promotional campaign to boost the sale of its products. Though, mere idea cannot be protected but when this idea is translated into a writing, drawing, plan or invention, the same can be protected under the Copyright Act. According to Mr. Rohtagi, a drawing of the disc was prepared which was a two dimensional drawing. It was reproduced into a three dimensional mould for implementing the idea and, Therefore, the mould as well as the final product in the shape of the disc are, according to Mr. Rohtagi, protected within the meaning of the Copyright Act; the defendant having allegedly not only copied the idea of distribution of free discs but having also copied the mould as well as the disc has infringed the copyright of the plaintiffs in the disc. It was also alleged to be a dishonest act on the part of the defendants as it has tried to take the promotional campaign of the plaintiff off the shelf. As it is dishonest act and unfair competition, Mr. Rohtagi contends that the plaintiff is entitled to a stay against the defendants. According

to, him, even if items of similarity are less than the items of dissimilarity, the plaintiff is entitled to protect its copyright in the disc. He relied upon the judgment reported as *Metropol India Private Limited Vs. Praveen Industries* (supra) where the Division Bench of this Court has quoted with approval the observations in *Munde Vs. Carey* 22 RPC 273. It was observed in that case that "where you see dishonesty, then even though the similarity were less than it is here, you ought, I think, to pay great attention to the items of similarity, and less to the items of dissimilarity". There being phonetic similarity in the two names and it is not clear as to why the defendant had chosen to name its disc as AMAZZO while the mark of the plaintiff is TAZO, the defendant should not be permitted to deceive the public if that is the probable result of his conduct, nevertheless the question why the defendant choose to adopt a particular name or get up is always highly relevant. It is a question which calls for an answer. Since the word AMAZZO is not available in the dictionary, according to Mr. Rohtagi, the defendant has miserably failed to show as to why it has chosen to name its disc as AMAZZO. The only inference, according to the plaintiff, Therefore, to be drawn by the Court is that the defendants have used the mark AMAZZO for its discs only with a view to cause deception among the children and to pass off their products as those of the plaintiffs.

13. In *Lincoln Industries Limited Vs. Wham-O Manufacturing Company and Others*, 3 IPR 115, the facts were that in 1957 Wham-O developed a plastic flying disc with a smooth upper surface which was called "Frisbee". Registration of Frisbee in relation to such flying discs was obtained in the United States of America but not in New Zealand. Wham-O proceeded to develop the Frisbee by the addition of circular ribs or rings to the surface of the Frisbee improving the aerodynamic qualities of the disc and obtained a patent for the ribs. Wham-O had an agreement with Toltoys Private Limited under which the Toltoys could manufacture Frisbees under license only in Australia. This agreement was entered into in 1965. When another Australian toy manufacturer began to make flying discs under the name Cyclops similar to Frisbee but with a bare surface, the Toltoys purchased the Cyclops mould and removed the product from the market. Toltoys then sold the Cyclops mould to Lincoln together with samples of the Frisbees. Lincoln modified the Cyclops mould so as to create ribs on the product and in 1966 it manufactured discs virtually identical to the Regular Frisbee. In 1973 Lincoln obtained registration of the name Frisbee as a trade mark in the New Zealand and between 1973 and 1980 altogether 3,40,000 units of Frisbee were sold by Lincoln. For the first time in 1976, Wham-O complained of the infringement of the trade mark and copyright which was countered by Lincoln. Proceedings were thereafter issued by Wham-O against Lincoln in 1979. The Court found that Wham-O had established copyright in respect of all the three Frisbee models in the drawings as drawings, the wooden models as sculptures and the mould or dies and the final plastic Frisbees as engravings. It was found that Lincoln had infringed copyright and the defense about the estoppel, acquiescence and laches were also rejected by the Court. Injunction

was granted against Lincoln restraining it from infringing the copyright of Wham-O and an order rectifying the register was also passed by the Court. The appeal filed against this order was dismissed by the Court of Appeal of New Zealand. To the arguments of Lincoln that there can be no copyright in a mere idea and there will be no infringement if a person arrives by independent work at a substantially similar result to that sought to be protected, the protection given by the law of copyright is against copying, the basis of the protection being that one man must not be permitted to appropriate the result of another's labour, the Court held that the evidence on record did not merely establish the idea of a flying disc with raised ribs but it had also established the manner in which Wham-O expressed that idea in the form of drawings, wooden models as sculptures and the moulds or dies.

14. The Court in Wham-O case was mainly concerned with the Frisbee with circular ribs or rings on its surface and the question whether Wham-O had a copyright in the drawings, sculptors and engravings of the said Frisbee. Originally in 1957 Wham-O had developed a flying disc with a smooth upper surface, called Frisbee, and obtained "Frisbee" trade mark for the same in the USA. Wham-O proceeded to develop the Frisbee by the addition of circular ribs or rings to the surface of Frisbee which improved the aerodynamic qualities of the disc and it obtained a patent for the ribs. By 1968 Whom-O had developed three models of Frisbees namely Professional Regular and Master Frisbees. Court in this case was considering the infringement of copyright only in these models and in that context it held as under:

"The Wham-O Master as with the other models of the Wham-O family of Frisbees has on the upper surface the ribs which were first introduced with the Professional model and were carried through to the Regular model and subsequently the Master itself. The ribs are a substantial part of all three of those Wham-O models and the ribs on the Professional model producing as they did a distinctive appearance and also improving the aerodynamics of the disc were no doubt causative in persuading Wham-O to continue these ribs on the subsequent Regular and Master models. The copying of those ribs by Lincoln could, in our view, amount to a breach of copyright by Lincoln from whatever Wham-O model they were copied. Where copyright in models of the Frisbee in respect of which Wham-O has been found to have copyright can be traced back to preliminary drawings, wooden models, moulds or dies or finished plastic products then the copying of the ribs shown on those drawings, models, moulds or products, being a substantial part of them, will amount to breach of copyright even though the copying may have been done from only one of them. The creation of the models, dies and products amounts to the reproduction in other media of the copyright first gained in the drawings. Wham-O Therefore has claims to copyright on several bases. First, in the drawing which have been reproduced in other media and in those other media themselves insofar as they have been proved to have attracted copyright in terms of the Act."

15. The Court in this case has not held that the Wham-O had a copyright in drawings, moulds or engravings of the original "Frisbee" with a smooth surface but had upheld the copyright in the models with ribs and rings on its surface.

16. In *Escorts Construction Equipment Limited Vs. Action Construction Equipment Private Limited & Another* (supra), the plaintiffs launched its concept and drawings of Pick-N-Carry Hydraulic Self Mobile Cranes and had been manufacturing and marketing them since 1971. Defendant was an employee of the plaintiff and left its employment in 1992. After leaving the employment, the defendant introduced in the market a copy of the plaintiffs crane. In a suit filed by the plaintiff for injunction restraining infringement of copyright and passing off, the Court held that there was a confidential relationship between the plaintiff No. 2 and the second defendant by reason of the plaintiff's employment there; defendant No. 2's undisputed access to the plaintiff's drawings and the rapidity with which the defendants produced the crane prima-facie showed that the defendants had breached the confidence and trust reposed by the plaintiff in defendant No. 2 and was also a violation of the copyright of the plaintiffs and the industrial drawings prepared by it for manufacturing the cranes.

17. This case in my opinion will not be of any assistance to the plaintiff as the Court in this case was mainly concerned with the breach of confidentiality and trust by defendant No. 2, an erstwhile employee of the plaintiff. plaintiff in that case had access to the drawings of the plaintiffs and it was in that context that the Court held it to be a case of infringement of the copyright of the plaintiff in drawings. It is an admitted case of the parties that the defendants did not have any access at any time to the drawings of the plaintiff.

18. In *Politechinika Ipari Szovetkezet and Ors. Vs. Dallas Print Transfers Limited* (supra), the facts were that in 1975 Hungarian Professor Erno Rubik invented a puzzle under the name Rubik Cubes. The puzzle was in the form of a cube easy to hold in hand. Each side of the cube was subdivided into nine smaller cubes. When the puzzle is purchased each of the nine smaller faces on each side bears a sticker of distinctive colour, so that one side appears to be all blue, one all yellow, one all green and so on. The sides can be rotated. The puzzle is devised mechanically to turn around three axes. By rotating the various sides the colours can be mixed up and the point of the puzzle is to see if, after the colours have been mixed up, they can be returned to the original appearance with one colour only on each of the six sides of the cube. The cube was patented in Hungary, but in no other country. It appears that the Rubik, having devised the puzzle, prepared a specimen of it out of rubber on a lathe to indicate how the parts would fit together and how they would turn and to decide on coloring for the various sides. The cube proved to be a successful puzzle and was exported from Hungary through the medium of a State export agency. In England, the cube was imported in 1979 by a company called Paradox Engineering Company which sold 50,000 of the cubes in the course of the year 1979. They were sold under the name of Magic Cubes. An agreement was made with one Ideal Toy Corporation

for distribution of the cubes in various countries including the United Kingdom. At the Earls Court Toy Fair in January/February 1981 the Ideal were awarded "The Toy of the Year Award". The defendants were engaged in the business of importing and selling gift and novelty items and in October 1980 had received a few samples of a cube puzzle made in Taiwan. The puzzle operated in the same way as the Rubik Cube and had identical colour sides. It had the name of "Wonderful Puzzlers" printed on it. Response to the puzzle was good and prior to April, 1981 the defendants had imported and sold some 40,000 puzzles. In earlier 1981 a writ was issued and plaintiffs sought and obtained an interlocutory injunction against the defendants against making of its uses. During the course of the trial, the original drawings were produced and the Court held that the drawings produced by the plaintiff were original drawings and that the Taiwan Puzzlers infringed the copyright of the plaintiff in these drawings including the general arrangement drawings. This case also, in my view, is of no assistance to the plaintiff.

19. The question presently before the Court is whether the plaintiff has been able to, prima facie, prove that they have the copyright in the disc being given as a gift with their products and whether distribution of a circular disc by the defendant is an infringement of the alleged copyright of the plaintiffs. With a view to prove that the plaintiffs had a copyright in the disc, my attention has been drawn to the US Patent No. 5672087 dated September 30, 1987. According to this, the disc, drawing of which has been reproduced in the patent, was patented in the United States as an invention. This invention related to flat pieces, preferably discs or chips of circular shape fabricated of flexible plastic material that have a series of slots or notches alongside their circumferential edges. One of these slots is bigger in size and of different configuration, which configuration makes possible the launching a first piece into the air with the help of a second piece which is used as a propeller. In addition, the small slots are used to create a great variety of structures of sets, by inserting a small slot of a first disc in a small slot of a second disc, and so on. The plain faces of the discs may be used to imprint any legend or drawing.

20. A perusal of the patent granted for a disc similar to the one being given as a gift with its products by the plaintiff shows that the patent has been granted not for the flat disc but for a disc with slots/notches one of which is bigger in size and of different configuration. From the background of the invention which is enclosed with the patent, it is clear that the invention referred to the flat launchable pieces that are used for personal entertainment, as an educational item, or for amusement. This background itself shows that various types of discs or chips were known in the art from the popular "Frisbees" or throw plates, to the games of chips, discs, and sets of blocks that could be assembled to produce several different structures. Many of these discs or chips had earlier been patented. One of which had Italian Patent describing circular and polygonal discs with slots which could be assembled by placing the discs perpendicular to each other and placing the slot of one disc within the slot of a second disc, and so on.

Even in the United States, three patents were granted in respect of different type of circular discs. While the first patent granted to kettle strings describes a circular disc that has a curved peripheral border with a slot, a rectangular impeller of flexible material engages the slot in order to impel the disc by the unflexing of the impeller so that the disc may be launched. Another patent granted to Raba describes a component with three joined lobes, wherein the lobes have three slots positioned alongside the outer edge of each of the lobes. A first component can be assembled with a second component by setting both components perpendicular to each other and placing the slot of the first component within the slot of the second component. Still another patent granted to Apple man describes a take-apart toy that includes a body which has a plurality of appendages that are removable. Each one of these appendages has a slot that can fit in any of the slots of the body by means of teeth. The appendages have slots that could be used to attach other appendages.

21. The present disc known as TAZO (registered trade mark) was granted patent because none of the other patented discs teaches or discloses the normal characteristic of the flexible pieces of the invention. The invention referred to flat pieces, preferable discs or chips of circular shape made of flexible material such as plastic. Each disc or chip has a series of slot or notches that are spaced at equal distances alongside the circumferential edge and extend radially toward the centre of the disc. One of these slots or notches is wider, longer and has a different configuration from the remaining slots which are smaller and have a U-shape. This different configuration allows the launching of the discs or chips into the air, thus providing the pieces of this invention with a function which is different, more advantageous, and not found in the inventions of the prior art. The disc could thus be utilised to launch another disc in the air in rotational manner. To obtain this result a slot of a second disc is inserted into the larger slot of the first disc. This clearly shows that the patent was not in respect of circular discs but was in respect of an invention made of the material such as plastic having a series of slots which could be used for different purposes, as mentioned above.

22. The claim which was made for getting the patent was that it was "an assemble and launching toy comprising a plurality of similar disc-like pieces made of a resilient material, each having a perimeter and a plurality of joining slots extending from the perimeter towards the centre of the piece, the slots being of a width to frictionally engage a joining slot of another piece and retain the pieces in a joined condition, so that desired structures can be assembled by so joining an arbitrary number of pieces; each piece also having at least one undercut launching slot of larger dimensions than the joining slots, extending from the perimeter towards the centre of the piece, said undercut launching slot having four adjacent edge surfaces, a first pair of the four edge surfaces being perpendicular to an another and forming a fulcrum where one of said edge surfaces meets the perimeter, and a second pair of the four edge surfaces being V-shaped, forming a point so that bottom edge surface of the second pair of

edge surfaces diverges from said point to increase the width of the undercut launching slot in a direction towards the centre of the piece and a top edge surface of the second pair of edge surfaces diverges from said point toward the perimeter, whereby a perimeter edge of a second game piece pivots on said fulcrum and is retained in the launching slot by said bottom diverging edge surface when a user inserts the perimeter edge of the second game piece into said launching slot and applies a force to flex the second game piece for launching, and whereby said top and bottom diverging edge surfaces are disposed at a sufficient distance from the opposing perpendicular edge surface to allow the launching slot to disengage without friction the perimeter edge of the second game piece upon release for launch.

23. Thus on the date the patent was granted for circular disc known as TAZO, there were large number of circular discs in market and the plaintiff could not claim copyright in the products or the mould or drawings of every type of circular discs which did not have the slots or notches for which the patent was granted. Prima facie, it appears to the Court that the plaintiff may have a copyright in the designs, moulds and grooves and a circular disc which has slots and notches, however, it cannot initiate proceedings to restrain any other party which intends to manufacture or market or even otherwise give as a gift circular disc which do not have such notches and slots.

24. The disc given as a free gift by the defendant Along with its products is a circular disc of plastic. Some of the discs of the defendant have a groove/slot/notch which are similar to the slot/notch appearing on the disc of the plaintiff for which it has a patent. One reason which had weighed with the Patent Office of the United States to grant patent to the invention of circular disc known as TAZO was that one of its slots was bigger in size and of different configuration which makes possible the launch of first piece into the air with the help of a second piece which is used as a propeller. The same purpose can be achieved by the disc of the defendant which has similar grooves. The plaintiff may, Therefore, have some case against the defendant for its having infringed the copyright of the plaintiffs in the drawings, moulds and engravings of the plaintiff in the disc having a slot therein.

25. Giving of a circular disc as a free collectible/gift item is now quite common all over the world. Sufficient material has been placed on record by the defendant to show that origin of the circular disc started sometimes during the IInd World War with the collection of milk caps by the children used by them to play common game on the lines of stack and win. As per the material available, the game originated in Hawaii around the time of IInd World War. This was later followed to promote a new drink called Passion Orange Guava juice by using the milk caps. On the milk caps, in bright letters, was the word POG. Such caps or circular discs were later on popularly known as POG. Kids began collecting them and using them to play a game related to marbles. The object of the game was to collect the most POGs possible from the other people playing the game. The POGs then

started coming in wood, metal or plastic and weight anywhere from a couple of ounces to half a pound. One of the reasons, the discs had become popular was they were rather inexpensive. Most of the kids had their favourite brand of POGs to buy. The POGs then started having Disney characteristics on them and they become popular and attractive amongst the younger kids and collectors. Some POGs even became collectors item. The most popular were the scenes from Disney movies. They would cost up to \$ 10 for 12 discs. New designs for POGs were constantly created. As was with other toys, POGs were also not without controversies. Schools and parents had started voicing concern about the game being played with POGs. Parents were saying that this was encouraging children to gamble because they used to play bets with POGs. Some schools had gone as far as banning POGs from the school ground. Others allowed the game to be played as long as it is not played for keeps. Certain circular discs are also placed on record to show that they were known as POGs and were available the world over (I) have, Therefore, no hesitation in rejecting the contention of the plaintiffs that they have an exclusive right to distribute the circular disc as a free collectible with their products. In my opinion, plaintiff also does not have any copyright in the disc or in the games played with them. The disc is not a new invention or innovation by them but is copy of the milk caps or POGs which were being given as free gifts all over the world for the last about 50 years.

26. It is next contended by Mr. Rohtagi that the plaintiffs are paying huge amount by way of royalty to the companies owning intellectual property rights in characters printed on the disc and the defendant, Therefore, cannot be permitted to copy the disc of the plaintiff. I have not been shown any disc given by the defendants as free collectibles with its products which may have any of the characters printed on the discs of the plaintiff. While the plaintiff's discs have mainly Disney characters, the discs of the defendant have mainly Indian Film Stars. There is no similarity in the characters printed on the discs of the defendant with the characters on the discs of the plaintiff. There, Therefore, is no question of infringement of copyright or any other right of the plaintiff by the defendant by printing the photographs of the film stars on its discs being given as free collectible with its product by the defendants.

27. As was argued by learned counsel for the parties as also the games demonstrated in Court it is clear that while the games which can be played with the disc given as free collectibles by the plaintiffs are groove based, the games which can be played with the disc being supplied by the defendant as free collectibles are hole based. As already held by me, the plaintiffs having a patent in the grooves of the disc may have a claim to restrain the defendants from distributing disc with grooves, however, in my opinion, there cannot be any case for restraining the defendants from distributing discs which have holes and not grooves. Even assuming that the plaintiffs have copyright in the games being played with the grooves in the disc of the plaintiffs, in my opinion, the same cannot be stretched to disc which have holes. As already held by me above, similar type of discs are being distributed for the last more than 50 years all over

the world and plaintiff cannot claim to have exclusive right to use the same. Prima facie, I am, Therefore, of the opinion that the plaintiffs cannot restrain the defendants from distributing as free collectibles a round disc which does not have grooves.

28. The next contention of the plaintiff is that it has a right in the TAZO promotional campaign which is exclusive to the plaintiffs in India. It is submitted that a promotional campaign is entitled to protection if it is either primarily distinctive of a particular manufacturer or has acquired such a significance as to be associated with only one manufacturer. It is not denied that the defendant is the first company in India to start manufacturing and selling branded potato chips and has a large market share in the sale of potato chips. It is also not denied that the defendant had been promoting the sale of its product by giving free collectibles for the last about 10 years. The defendants in its sales promotion schemes had been giving besides others pen and diary, lunch box, tattoos ,crystal jar etc. It, Therefore, cannot be said that giving of free collectibles Along with the chips has been copied from the promotional campaign of the plaintiffs. It is common knowledge that the large number of companies are now giving free collectibles Along with their products as part of their promotional campaign for the sale of their products. These distribution of free collectibles is not restricted to the sale and marketing of potato chips alone but it is being freely used by all the manufacturers including the soft drinks companies and other companies marketing their consumer products. They are more common in the products which are liked by the students and children. It, Therefore, cannot be said that merely because the plaintiff is distributing free collectibles in the form of circular disc Along with its products, it has an exclusive right to such a promotional campaign.

29. It is next contended that even assuming the plaintiff does not have an exclusive right to the promotional campaign by giving free collectibles, it has an exclusive right in the promotional campaign of distributing a circular disc with or without grooves. In my opinion, as the plaintiff does not have a copyright in every type of disc which does not have grooves, it cannot have an exclusive right even in the promotional campaign whereby the other party is distributing a free collectible in the form of a disc Along with its products which does not have grooves.

30. It is next contended that the plaintiff has an exclusive right to the word TAZO and the word AMAZO being used by the defendant for the disc being distributed as a free collectible Along with its products has a phonetic similarity and the word being deceptively similar to TAZO, the defendant cannot be permitted to use the same. It is stated that AMAZO has a phonetic similarity in the suffix and as the word is not available in the dictionary, the only conclusion that can be drawn is that the defendant has copied it from TAZO being used by the plaintiff. In reply, the contention of the defendant is that AMAZO was an adaptation of the word "Amazing" and also arrived at by telescoping the Hindi phrase "Aao Maza

Lo", consciously chosen so as to rhyme with the catch line of the defendants advertising campaign "Aao Maza Lo". Mr. Rohtagi has relied upon the judgment reported as K.R. Chinna Krishna Chettiar Vs. Shri Ambal and Co., Madras and Another, to contend that it is for the Court to decide the question of a comparison of the marks as a whole and their deception and essential features. The resemblance between the two marks with respect to the ear as well as eye. He, Therefore, contends that the last three letters of AMAZO, namely, AZO are exactly similar to TAZO and these letters being not descriptive nor common to the trade, the natural inference to be drawn is that the defendant has copied the name of its disc from the name of the plaintiff's disc. The mark, according to the plaintiffs, has been copied with a view to create confusion amongst kids.

31. I am unable to agree with Mr. Rohtagi, Firstly, the product which is being sold is not the disc but the packet of chips. The disc is given only as a free collectible. There might have been force in the contention of Mr. Rohtagi in case the main product which is being sold had a phonetic similarity with the product of the other side. While the name of the product of the defendant is "Uncle Chips", the name of the product of the plaintiff is "Lays". Moreover, when a few of the packets of the plaintiff were opened in Court, they inside contained not a TAZO but a round disc known as CHEETO, though outside on the packet the plaintiff had written that inside it contain a TAZO. Admittedly, there cannot be any similarity nor even it is argued that there was any similarity between AMAZO and CHEETO. In my opinion, AMAZO and TAZO has completely different pronunciation and even assuming for the sake of arguments that there is some similarity in the two, in my view, it cannot cause a confusion amongst the persons who purchase the product, as prima facie, it appears to me that they are not deceptively similar to each other. The plaintiff is, Therefore, not entitled to an injunction on the ground that the word AMAZO is deceptively and phonetically similar to TAZO.

32. Lastly, it is contended that the defendant is indulged in dishonest and unfair competition by giving similar disc as free collectibles with its products as is being given by the, plaintiffs with its products and, according to the plaintiffs, the defendant cannot be permitted to indulge in the same.

33. To succeed in this contention, the plaintiff must prove that it has built up an intangible property right in the advertised description of its product, or in other words, he has succeeded by such method in giving its product a descriptive character which the market recognises. While discussing as to what is an unfair competition Kerly's Law of Trade Marks & Trade Names describes it to be an action all wrong for the defendant to represent, for trading purposes, that his goods are those or that his business is that of the plaintiff, and it makes no difference whether the representation is effected by direct statements, or by using some of the badges by which the goods of the plaintiff are known to be his, or any badges colorable resembling these, in connection with goods of the same kind, not being the goods of the plaintiff, in such a manner as to be calculated to cause the goods to be taken by ordinary purchasers for the goods of the plaintiff.

What one has to see is that by advertisement and the promotional campaign the defendant is trying to confuse or mislead the consumer that his product was the plaintiffs' dissimilar product. The nature of wrapping, the nature of the package itself has to be so closely imitated that by the mere introduction of some distinctive mark to which no ordinary observer would have applied its mind will not rid of the obvious intention to pass one goods off as the other. The whole question in these cases is whether the thing taken in its entirety, looking at the whole thing, is such that in the ordinary course of things a person with reasonable apprehension and with proper eyesight would be deceived. Keeping this in mind, we have to see whether by giving the free collectible in the shape of a round disc with its products the defendant has indulged in unfair trade competition.

34. As already mentioned above, the main product which is sold are potato chips. It is with these potato chips that both the plaintiffs and defendants have started giving free collectibles in the shape of round disc. While the disc of the plaintiff has grooves, the disc of the defendants has holes. Though, in few of the discs of the defendant no doubt one large groove did exist. Even the games which could be played with the disc of the defendants are hole based games whereas the games which could be played with the disc of the plaintiffs are groove based games. Mere size of the circular disc will not be sufficient to say that the defendant has copied the disc of the plaintiffs as, in my opinion, such discs are in existence for the last about 50 years. While the packet of the plaintiff is being sold in the name of "Lays", the defendants product is known as "Uncle Chips". Colour scheme and get up of the packets of the two are totally different. The packet of the plaintiffs has the most common colour blue, whereas the packets of the defendants have orange, green and silver colours. Even the weight of the packets is different. The name "Uncle Chips" is prominently written (covering more than 1/2 the front surface of the pack in bold yellow colours) while the word "Lays" is written on the plaintiffs packet at the top quarter in white. Each packet of the plaintiff has a TAZO printed on the packet and shows cartoon characters printed whereas each packet of the defendant has an AMAZO sticker with Uncle Chips logo on it. There is no logo of the plaintiff of its disc. No cartoon characters are printed on the packet of the defendant as they appear on the plaintiffs packet. No games are advertised on the back of the packet of the defendant whereas two games, namely, "Connect 'n' fly" and "Stack, Whack & Win" are advertised on the back of the packet of the plaintiff. Till such time, the packet is opened no one is aware as to what type of disc is contained inside. As already mentioned, though the patent claimed by the plaintiff is in respect of the disc with grooves in many of the packets which were opened in Court a round disc was found with the word CHEETO. In my view, Therefore, there is no similarity whatsoever in the packets of the chips being sold by the plaintiffs and the defendants. There cannot be any question of the defendants product being passed off as the plaintiffs.

35. It is now well settled that the entire packet is to be seen in its entirety and

not in parts in isolation. It is, Therefore, not permissible to say that just because a round disc with grooves is being given as a free collectible with the plaintiffs product, there is a dishonest or unfair competition by the defendant in giving a free collectible in the shape of a round disc with its products.

36. For all these reasons, I am of the prima facie opinion that the defendant is not guilty of piracy or copying of the disc of the plaintiff for distribution as a free collectible with its product nor there is any unfair or dishonest competition on the part of the defendant by distribution of such disc.

37. For all the foregoing reasons, the plaintiff succeeds only to the extent that the defendant is restrained from distributing a free collectible in the shape of a round disc having grooves/notch or grooves/notches. Except this, in my opinion, the plaintiff is not entitled to any other relief in this application. Any expression of opinion in this judgment is only a prima facie opinion of the Court and shall not affect the merits of the case.

38. With these observations, the application stands disposed of.