
(2005) 08 BOM CK 0060

In the Bombay High Court

Case No : Notice of Motion No. 1769 of 2005 in Suit No. 1639 of 2005

L'oreal India Pvt. Ltd. and Another

APPELLANT

Vs

Henkel Marketing India Ltd. and Another

RESPONDENT

Date of Decision : 16-08-2005

Acts Referred:

Copyright Act, 1957 — Section 14
High Court (Original Side) Rules — Rule 148

Citation : (2005) 4 ALLMR 773 : (2005) 6 BomCR 77

Hon'ble Judges : D.K. Deshmukh, J

Bench : Single Bench

Advocate : V.V. Tulzapurkar and Amit Jamsandekar, instructed by D.H. Law Associates, for the Appellant; Iqbal Chagla, instructed by Crawford Bayley and Co. for Defendant No. 1 and Ravi Kadam, instructed by Crawford Bayley and Co. for Defendant No. 2, for the Respondent

Judgement

D.K. Deshmukh, J.—This Notice of Motion is taken out by the Plaintiffs. The Plaintiffs in the suit claim a decree of permanent injunction against the Defendants restraining them from using or exposing for sale the goods bearing the impugned label/trade dress, which is at Exh.F to the plaint or any other label/trade dress which is a colourable imitation or substantial reproduction of the Plaintiffs' artistic works so as to infringe the Plaintiffs' copyright in the said label/trade dress, being Exh.B to the Petition.

2. The Plaintiffs claim that the Plaintiff No. 1 is manufacturing, marketing and selling cosmetic and beauty products including Hair colour. The registered office of the Plaintiff No. 1 is at Mumbai. The Plaintiff No. 1 is a wholly owned subsidiary of the Plaintiff No. 2, which according to the Plaintiffs is the pioneer and Market leader internationally in the manufacturing and marketing of Hair colour, skin care and cosmetic products. According to the Plaintiffs, L'Oreal Group markets over 500 brands and more than 1000 products worldwide in all sectors of beauty product. According to allegation in plaint, L'Oreal group is the world leader in the Hair colour industry. For almost a century, the Plaintiff No. 2's

products, viz. cosmetic products which include Hair Colour and Skin Care Products have been sold all over the world. The Plaintiff No. 2 exports its products to almost all parts of the world. The Plaintiff No. 2 has a worldwide annual sales turnover of more than 14 billion Euros. The Plaintiffs' products are known for their effectiveness in the cosmetic industry.

3. According to allegation in the plaint, the Defendant No. 1 is a Private Limited Company incorporated under the provisions of the Companies Act, 1956. According to the Plaintiffs, Defendant No. 1 is a group company of the international company Henkel. The Henkel group is an international company involved in Hair Colour products. Defendant No. 2 is the company manufacturing the hair colour products on and on behalf of the Defendant No. 1 in India. According to the Plaintiffs, the Plaintiffs in August 2002 launched a Hair Colour under the brand name "GARNIER-COLOUR NATURALS" (hereinafter referred to as the "said Hair Colour") which was launched as a mid-range product segment and priced accordingly at around Rupees Ninety Nine. This mid range product was launched by the Plaintiffs to target sales in the Urban/Semi urban areas and accordingly the suitable price range was introduced for this product. From its launch in 2002 the said Hair Colour of the Plaintiffs has gained immense popularity in India and worldwide. The Plaintiff No. 1 has substantial market share in the Indian Hair Colour market. Within a very short span of time the Plaintiffs became successful in their strategy to introduce a mid range product because it became popular amongst the middle class and lower middle class consumers.

4. According to the Plaintiffs, the Defendant No. 1 also had several hair colour products which are sold in India and internationally, however the Defendant No. 1 had no presence in the mid-range segment. The Defendant No. 1 is now trying to encash on the goodwill of the Plaintiffs in the mid-range segment of hair colour by introducing a product bearing deceptive similarity in the label/trade dress with the Plaintiffs' label/trade dress.

5. According to averments in the plaint, the Plaintiff No. 1 in the year 2001-02 engaged an Advertising/designing agency to create artworks for the label/trade dress of the Plaintiff No. 1's hair colour. The artistic design, trade dress in relation to which the Plaintiffs claim copyright was designed and created by the designing agency engaged by the Plaintiffs. According to the Plaintiffs, the said label or trade dress have distinctive colour scheme, get up and lay out. A distinctive colour combination of orange, green and white used in the artistic works has given a unique pattern to the label/trade dress of the Plaintiffs' product "GARNIER-COLOUR NATURALS". According to the Plaintiffs, the Plaintiffs have spent considerable amount to the extent of over Rs. 15 crores by way of publicity expenses to promote their products bearing the said label/trade dress. The said label/trade dress having distinctive colour scheme, get up and lay out and by reason of extensive sale, publicity and advertisement, has come to be associated by the traders and the members of the public solely and exclusively

with the Plaintiff No. 1 has acquired tremendous goodwill and reputation in the said label/trade dress. The Plaintiffs have made substantial sales of the said Hair Colour bearing the said label/trade dress which has also been confirmed by an independent Survey Agency in its published report in the year 2005 stating that the Sales volume of the said colour is 0.45 crores in units and Rs. 49.5 crores in value from the year 2002 to March, 2005.

According to the Plaintiffs, recently the Plaintiffs learnt that the Defendants are manufacturing, marketing and selling their products under the name "palette-PERMANENT NATURAL COLOURS" by using label/trade dress which is deceptively similar to the said label/trade dress.

6. According to the averments in the plaint, the impugned label/trade dress is a substantial reproduction and/or colourable imitation of the said label/trade dress. The Defendants are infringing the Plaintiffs' copyright in the artistic works. The impugned label/trade dress is similar and/or deceptively similar to the said label/trade dress of the Plaintiffs. The Defendants have slavishly copied the Plaintiffs' said label/trade dress, artistic works, colour scheme, get up and layout. The placement of material on the impugned label/trade dress is deceptively similar to the placement of material on the said label/trade dress. The Defendants have adopted an identical colour scheme of green, white and orange for the impugned label/trade dress. The colour combination of the impugned label/trade dress is identical and/or deceptively similar to the Plaintiffs' said label/trade dress. The Defendants have adopted an identical colour scheme of green, white and orange for the impugned label/trade dress. The colour combination of the impugned label/trade dress is identical and/or deceptively similar to the Plaintiffs' said label/trade dress.

7. According to the Plaintiffs, the Defendants have intelligently but dishonestly copied the label/trade dress with similar colour scheme and the lay out. The Defendants have introduced a few changes but substantially the label/trade dress used on the package/carton of the Defendants is an obvious colourable imitation of the colour scheme and lay out used by the Plaintiffs in their product, with ulterior motives. The points of dissimilarity are totally inadequate to wipe out the general impression of an unwary purchaser of imperfect recollection.

8. According to averments in the plaint, the Defendants have thus adopted the colour scheme of the Plaintiffs' said label/trade dress and the get up and layout blatantly and fraudulently with a view to cash in on the reputation and goodwill of the Plaintiffs. The Defendants have tried to come as close as possible to the said label/trade dress. The adoption of the colour scheme, get up and layout of the said label/trade dress by the Defendants for their product is dishonest. Use of the said label/trade dress by the Defendants on their products by substantially reproducing and/or by using colourable imitation of the said label/trade dress is infringement of the copyright in the artistic work of the Plaintiffs. It is pertinent to point out that the pack is not used by the Defendants in their label/trade dress anywhere else in the world where the Defendants' said products are sold.

9. It is the case of the Plaintiffs that in fact the Defendants' product, "palette" was being marketed worldwide much before it was launched in India. This product "palette" in countries such as Czechoslovakia, Romania, Russia has a completely different colour combination on its package/carton. The label/trade dress has a different get up, colour combination from that of the Plaintiffs' said product. Also, only in India does the impugned label/trade dress on the package/carton the word "PERMANENT NATURAL COLOURS" is found on the Defendants' product "palette". which is very similar to the Plaintiffs' "COLOR NATURAL". The Defendants are using colour combination of orange and green only in India. Further, the male model appearing on the back of the package/carton is not used by the Defendants in their label/trade dress any where else in the world where the Plaintiffs said products are sold. In the international market, the Defendants have not used the colour combination of orange and green at all nor does the male model appear at the back of the pack any where in the world where the Plaintiffs said products are sold and the same is being used by the Defendants only in their mid range products. It is therefore all the more apparent that the Defendant No. 1 has launched "palette" in India with a deceptively similar label/trade dress with a view to pass off the products as that of the Plaintiffs and trade on the goodwill and reputation of the Plaintiffs.

10. Thus, in short, the case of the Plaintiffs is that the Defendants in order to take advantage of the reputation and goodwill of the Plaintiffs and their products have copied the label of the Plaintiffs and are trying to pass off their products as that of the Plaintiffs and the Defendants have also infringed the copyright of the Plaintiffs in the label. In paragraph 15 of the plaint the Plaintiffs stated that they should be granted ad-interim order without issuing notice to the Defendants, because if the Defendants come to know of the action taken by the Plaintiffs, they will flood the market with their products. In the Notice of Motion by order dated 28-6-2005, in view of the averments made in paragraph 15 of the plaint, the Court did not issue notice to the Defendants and the Court granted ad-interim order in terms of prayer Clauses (a) & (b) of the motion.

11. Thereafter, the Defendants have appeared and filed their reply. According to the Defendants, the Defendant No. 1 is the marketing arm of Henkel India Ltd. Henkel India Ltd. is a subsidiary of Henkel Group. Henkel India Ltd. had a turnover of Rs. 400 crores last year and sells over 30 products such as hair care products, cosmetics and soaps and detergents. Henkel Group is a global multinational having business interests in 125 countries. Henkel KGaA was incorporated in 1876 and the Henkel Group had an annual turnover last year of approximately 10.6 billion Euros (i.e. Rs. 59,360 Crores). In the Hair Colour Industry, Henkel occupies the number three slot worldwide and No. 2 slot in Europe. Henkel is a highly respected, popular and reputed brand and company of long standing. Henkel Group has more than 119 brand registrations the world over. It has 50 single brand registration for cosmetics. It has 23 research centres for cosmetics and toiletries and has spent 41.4 Million Euros last year on Research and Development.

12. According to the Defendants, the products in question are prominently branded "Schwarzkopf". This is because Schwarzkopf has been one of the oldest and most respected names in the business of hair care products. The history of Schwarzkopf dates as far back as 1898, when Hans Schwarzkopf opened a shop in Berlin in 1898. Hans Schwarzkopf, a qualified chemist, developed his first product- powder shampoo in 1903. From 1904, he sold his products under the Schwarzkopf name and the logo of a black head silhouette, in drug stores in Berlin. The product came to be known as "Shampoo with the black head". Thereafter, he expanded his business to other countries. In 1960, Schwarzkopf launched a product called "Igora Royal" the classic hair colorant. This product became internationally renowned in the hair care and hair colour business and made Schwarzkopf then already well established, a household name. In 1995 Henkel acquired the Schwarzkopf business. At that time, the annual turnover of Schwarzkopf was 559.4 million Euro. The turnover/sales of the hair colour products of Schwarzkopf was 70.6 million Euro. Owing to the brand appeal, reputation, goodwill and recall of Schwarzkopf, the first Defendant's Palette range of the products prominently bears the Schwarzkopf name and the device of the silhouette of a black head.

13. According to the Defendants, the "Palette" brand or the Palette range of hair products is amongst the worlds most popular brands and enjoys tremendous brand recall and goodwill in most parts of the world. So profound is its impact and so enormous is its goodwill and reputation that no average person/consumer will have any confusion about the identity or source of a product branded "Palette". This is evident from what is set out below:-

a. "Palette" was launched as a "brand" of hair care products, by Henkel Group. In 1967, the initial launch was in Eastern Europe (Poland, Czech Republic, Slovakia, Hungary, Romania, Lithuania, Latvia, Croatia, Bulgaria, Slovenia) and in South America (Columbia, Venezuela, Peru, Dominican Republic and Ecuador).

b. Palette was thereafter extended to other countries and is today sold in 27 countries.

c. The gross annual turnover of Palette products for the year 2004 was 157.294 Million Euros (Rs.886 Crores).

d. Palette is sold internationally in various ranges and various colour schemes. These include colour schemes having green and/or orange colour and/or combination thereof.

e. From the various packages/cartons in which Palette products are sold internationally, it is evident that:-

(i) The use of green colour and/or background is common in a large number of international brands. Green is a visually appealing yet light and soothing colour and promotes "naturalness". It is for this reason that Green is used. Several Henkel brands use green.

(ii) The colour scheme, layout and get up of the carton used in India is consistent with the general trend, layout and get up of Palette products sold internationally.

(iii) The Indian products do not constitute a radical departure from the other products sold elsewhere in the world.

(iv) Most, if not all, of what the Plaintiffs describe as the peculiar distinctive and essential features of their carton are not peculiar to the Plaintiff. These products internationally- that too openly, extensively without any complaint.

(v) Even the orange and green background has been used on Palette products in numerous countries.

(vi) The Indian carton is nothing but a customization of "Palette" international cartons, done to suit and cater to local tastes, sensibilities and markets.

(f) The whole foundation of the Plaintiffs' case namely-that the Indian carton is a deliberate departure from what the Henkel Group sells abroad and that this departure can be only explained by a desire to imitate and/or copy, therefore falls to the ground. The whole case in the plaint is not only misconceived but dishonest.

14. The Defendants, therefore, submit that there is no question of any of the Defendants' product being deceptively similar to that of the Plaintiffs. Similarly, there is no question of any consumer being deceived into believing that the Plaintiffs' product is that of the Defendants and vice-versa. The fundamental fallacy of the Plaintiffs' case is the assumption that persons buy hair colour on the basis of a notion of the colour scheme of the carton. The Plaintiffs heavily advertise their products with the Garnier brand name. The Plaintiffs have several Garnier products in the cosmetic and toiletry segments. These include Garnier colour natural, hair colour, Garnier Nutrias and Garnier Fructis. The Garnier brand is heavily advertised by the Plaintiffs and has a significant brand appeal. So also the Palette brand is also equally promoted and well known. Therefore, the likelihood of there being confusion between Garnier products and the products bearing the brand name Palette is almost negligible. Not only is this difficult to believe but this posits a complete failure on the part of the extensive advertisement campaigns run by both parties and the huge expenses incurred in this behalf. The purpose and intent of these has been to project and promote the rival brands, namely, Garnier and Palette. The Defendants submit that customers are aware of the distinct identity of the two brands and buy products with reference to the same. Defendants further submit that the Plaintiffs and the Defendants both advertised their products on Television and in the media on a very large scale and therefore, the average consumer is well aware of the distinction between Garnier brand and the Palette brand.

15. Both the parties have produced documents in support of their respective cases. I have heard the learned Counsel appearing for both the sides at length.

16. From rival submissions it is clear that the case of the Plaintiffs is that the

Defendants are selling their products using label/trade dress which is deceptively similar to the label/trade dress of the Plaintiffs. In other words, according to the Plaintiffs, the Defendants are passing off their products as that of the Plaintiffs by adopting the label/trade dress which is deceptively similar to the label/get up/trade dress of the Plaintiffs. It is a settled law that imitation of trade-dress of one by the other does amount to passing off. The terms label/trade dress/ get up, in a passing of action mean the whole visible external appearance of goods in the form in which they are likely to be seen by the public before purchase. If the goods are sold in packages, then their trade-dress/ get up means the appearance of the pack taken as a whole. To succeed in passing off of such nature the Plaintiff has to establish that the trade-dress/label/get up of the Defendants is deceptively similar to his get up/trade-dress/ label. The Supreme Court in its judgment in the case of Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., , has laid down the factors that should be considered for deciding the aspect of deceptive similarity. No doubt the Supreme Court in that case was considering the question of deceptive similarity in trade marks, but the factors indicated by the Supreme Court are relevant also in the case of passing of trade-dress. The relevant observations are to be found in para 35 of the judgment. It reads as under:-

35. Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:

- a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.
- b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- c) The nature of the goods in respect of which they are used as trade marks.
- d) The similarity in the nature, character and performance of the goods of the rival traders.
- e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- f) The mode of purchasing the goods or placing orders for the goods and
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

Weightage to be given to each of the aforesaid factors depends upon facts of each case and the same weightage cannot be given to each factor in every case.

17. Perusal of the observations of the Supreme Court quoted above would show that in the present case Clauses (a) and (b) will not be applicable. So far as Clauses c) and (d) are concerned, the goods of the Plaintiffs and the Defendants

are the same, namely hair colour. Clause (e) and (f) can be considered together. The product which is the subject matter of the suit is hair colour. The Plaintiffs in the affidavit dt.25th July, 2005 of Shri P.L. Mishra in paragraphs 3 & 4 have stated thus:-

3. I say that the Indian market for Hair Colours, is mainly divided into what is known in business parlance as "traditional colours" and "premium colours". The traditional colours segment consists of colours which are priced in a range of Rs. 7/-to Rs. 50/-. Premium colour segment consists of hair colours which are priced in the range of Rs. 75/- to Rs. 400/-.

4. The traditional hair colours represent about 2/3rd value of the total market and premium colours represents about 1/3rd of the total market. Of the premium colour segment, the Plaintiffs enjoy 74 per cent market share, with its product "GARNIER COLOUR NATURALS" constituting more than 50%. I crave leave to refer to and rely upon the report of A.C. Nielsen- ORG MARG, an acclaimed survey agency for the 1st quarter of 2005 in this regard when produced.

18. The Defendants in their affidavit dated 25-7-2005 of Shri Sanjib Chatterji in paragraph 8 have stated thus:-

8. It is submitted that hair colour products are used by informed, image-conscious, educated customer with a clear mindset. The illiterate and semi-illiterate and non-discerning class of customers prefer hair dyes which are priced much cheaper. It is submitted that even if a customer does not peruse the detailed brochure before making the purchase, the character of the product is such that, a customer before buying the product does look at the package to ensure that he is buying a product which would give him the desired hair colour, which is provided on the side panel of the box in which the product is sold. A use of hair colour by a customer would change the original colour of the customer's hair atleast for a period of 3 months. That being the case, all customers do examine very carefully the hair colour products available at retailers before making the purchase....

19. From the rival pleadings, it prima facie appears that the purchasers of the product would not be illiterate villagers but persons belonging to middle class or upper middle class. Considering nature of the product, its price range, the purpose for which it is used and the segment of the society which will normally purchase the product it can be safely assumed that the purchase would not be made without due deliberation. On the aspect, as to how the product is normally sold to the customers, the Defendants in their affidavit dt. 25-7-2005 of Shri Sanjib Chatterjee in paragraphs 6 and 7 have stated thus:-

6. For this purpose each Hair Colour manufactures provide retailers with a detailed brochure showing different shades of colours manufactured by them along with swatches, which show the precise look and feel of hair after the use of the colour. It is submitted that the brochure clearly and in bold letters states the name of the manufacture, the brand name of the product, very detailed

directions for use of the colour and other pertinent information. Retailers are instructed by each hair colour manufacturer to encourage and prompt the consumer to look at the detailed brochure and then make the decision. This is useful for several reasons. It immediately projects to the consumer the full range of options, particularly the difference in colours, shades and hues, which unless seen side by side, often look the same. This also enables the customer to see for himself/herself what the end result will actually look like thereby minimizing the likelihood of dissatisfaction. The consumer is thus in a position to evaluate and gauge the final result of using a particular hair colour and to make a conscious and well informed final decision.

7. I state that when a customer visits a retailer for purchasing a hair colour product, the retailer shows the customer the abovementioned detailed brochures provided to him by Hair Colour manufactures. It is submitted that a customer is encouraged and/or is given an opportunity to go through the brochures, the shade card/swatches before making an informed decision of the colour, quality, quantity and the brand name, before purchasing the product. When he/she looks at the Defendant brochures, he/she is fully aware of the identity and difference of the rival manufactures/ brands. It is therefore submitted that there is no likelihood of any customer being deceived by any alleged similarity in the colour scheme, label/trade dress or outlook of the product of different manufacturers. Defendant No. 1, has in fact, printed and circulated 25,000 copies of detailed brochures containing shade cards to its retailers. Likewise, other hair colour manufacturers also supply their detailed brochures to retailers. The Plaintiffs have, as a matter of fact similarly done so.

20. The Plaintiffs have not made any pleadings on this aspect of the matter. From above quoted statements made by the Defendants it prima facie appears that the purchase of the product is made normally after due deliberation.

21. The question whether the label/trade-dress/ get up of the Defendants is deceptively similar to the label/ trade-dress/ get up of the Plaintiffs will have to be considered, now, keeping in view the class of the persons who normally purchase the product i.e. educated, middle-class, upper-middle class and the normal mode of purchase i.e. purchase not in hurry but purchase after due deliberation. According to the Plaintiffs, the features similar in the trade-dress of the Plaintiff and the Defendants are-, the Plaintiffs use the words "Color Naturals" on their products which the Defendants have changed to "Natural Colors". Shape of the Pack is same with same height, width and breadth. Colour scheme of green and orange background interspersed with white. Shade indication of the colour on the side of the pack. Ingredient presented similarly as a drop in the same colour. The drop colour is identical. Similar claims of "long lasting colour"- and "100% grey coverage". The claims written in similar colour scheme of green. On the top of the pack, there is a photo of the hair swatch. On the back of the pack there is a photo of a male model on a white background with background with similar hair parting and similar white shirt with a similar comment of "wide

range of shades for both men and women". The Defendants dispute this position. The Defendants compare the trade-dress of the Plaintiffs and defends thus:

Front Panel

- (a) The predominant background colour of the front panel of the Defendants' product is green. In so far as the Plaintiffs' product is concerned, the background is white.
- (b) The two models appearing on the front panel are completely different and one cannot be mistaken for the other.
- (c) The positioning of the two models on the front pack is different. While the model of the Plaintiffs' pack is positioned at the top end of the pack, that of the Defendants' pack is positioned around the center.
- (d) The Plaintiffs' pack is prominently branded Garnier whilst the Defendants' pack is branded Palette.
- (e) The Defendants' product has the word "Schwarzkopf" printed on the top of the front label and has the device of a silhouette of a black head.
- (f) The shade card of the Plaintiffs' product is on the top left hand side of the front panel whilst that of the Defendants is on the bottom left.
- (g) The Defendants' product bears a prominent green band containing the words "Intensive Cream Colouration" which is missing in the Plaintiffs' pack.
- (h) Whilst both panels contain the image of a drop, the Defendants' product has this image position inside a circle having a picture of almonds with the words "with almond care concentrate". The Defendants' product also has inside the pack a sachet containing almond care concentrate in liquid form to nourish and vitalize hair and therefore bears the said endorsement. The Plaintiffs' product does not bear any similar sachet.
- (i) The Defendants' product is labeled at the bottom with the words "guaranteed quality" which words are missing on the Plaintiffs' product.
- (j) The entire get up, trade dress and broad visual appeal of the Plaintiffs' product appears to be broader and shorter than the Plaintiffs' pack.
- (k) The caution notice at the top of the Plaintiffs' product is also absent on the Defendants' product.

Rear Flap

- a) The Plaintiffs' product has a colour scheme, which is a combination of bands of green and orange on a white background. The Defendants' product, on the other hand, has a combination of green and white. The description contained on the two flaps is completely different.
- (b) The lettering is different, the content is different, lay-out is different and

whilst the Plaintiffs' product contains a description in English alone, the Defendants' product contains instructions in both English and Hindi.

(c) The Plaintiffs' product's rear flap is prominently captioned Garnier Colour Naturals while the Defendants' product bear a similar prominent branding of Palette.

(d) The Defendants' product has the words "the colourant you can trust and your best choice in colour" which slogans are absent from the Plaintiffs' product. The application instructions which are found on the Plaintiffs' product are not present on the Defendants' product.

(e) The Defendants' product reaffirms the fact that it contains almond care concentrate, by the use at two places of the device of an almond with the words "with almond care concentrate and vitamin C". The Plaintiffs' product has a leafy shading of dull orange images, which are completely absent on the Defendants' products.

(f) The overall impression given by the Plaintiffs' product is that of an orange feel while that of the Defendants' product is of a light green dark green combination.

(g) Although both the products contain a photograph of a male model, the lay-out and location and the size of the photograph of the model are at different places. While in the Plaintiffs' product the model is shown at the center, the Defendants' product has the model in a white square at the top. The reason for both the products having a female model on the front face and a male model on the back is to project to the consumers that the hair colour is suitable for use for both men and women.

Side Panels

(a) The lay-out of two side panels of the two products is completely different. In the first instance, the prominent colour scheme of the side panels of the Defendants' product is white and green. In so far as the Plaintiffs' product is concerned, the prominent colour scheme is predominantly white with orange colour. The lettering, text and lay out of the two side panels are completely different.

(b) While the Defendants product has the words Palette prominently endorsed on the side panel, there is no such description on the Defendants' product. the side panels of the Defendants' product almost entirely contained English text while the Plaintiffs' product has side panels which are written in both English and Hindi.

(c) The top and bottom panel, the lay out and colour scheme of the side top and bottom panel of the two products is also completely different. The top panel of the Defendants once again has a green background with "Palette" prominently projected while the Plaintiffs' product has an orange and red colour scheme. The bottom panels are similarly very different. The text on the bottom panels is

different. The Defendants' pack has ingredients described on the bottom panel. The Plaintiffs' bottom panel is predominantly orange shading which is missing in the Defendants' pack.

22. It is clear from the rival pleadings on this aspect of the matter that, one thing that emerges prominently is that on the label/trade-dress of both the parties their respective trade marks are prominently displayed. The trade-marks of both the Plaintiffs and the Defendants are well known trade-marks internationally. Considering the class of persons who normally purchase these products and the nature of the products, it is not, prima facie, possible to believe that the product would be purchased without reading the trade-mark which is so prominently displayed on the trade-dress. Admittedly both the parties spend enormous amounts of money on advertising their respective Brands. It is hard to believe that despite such an extensive advertising carried out by both the parties of their respective trade-marks/ Brands, there is any possibility of any confusion between the products carrying the brand names/trade marks of the Plaintiffs and the Defendants. If such a possibility exists it would mean that both the parties have miserably failed in their respective advertisement campaign in relation to their respective trade marks/ Brand names. In so far as the aspect of the matter is concerned, Christopher Wadlow in "The Law of Passing-Off" says thus in para 8-122

"The difficulty confronting the claimant in all actions for passing-off based on get-up is that it is unusual for one trader's goods to be distinguished from those of his competitors exclusively, or even primarily, by their get-up. Normally a brand name or other mark is chosen and given prominence and it is this on which consumers are expected and encouraged to rely. To make out a case based solely on similarities of get-up the claimant must show that deception is likely notwithstanding the absence of his own brand name on the defendant's goods and the likely presence there of the defendant's brand name and perhaps other distinguishing matter."

23. Thus, the burden on the Plaintiffs is to prove at least, prima facie, that despite the well known trade mark of the Defendants and that of the Plaintiffs which are prominently displayed on their respective trade-dress, the similarity in the trade-dress of the Plaintiffs and the Defendants is such that there is a possibility of deception. To discharge this burden, in my opinion, the Plaintiffs will have to establish that he has adopted some novel, original and striking features for his get up and that the Defendants have adopted similar features. So far as this aspect of the matter is concerned, the Plaintiffs rely on the colour scheme of his trade-dress and depiction of male model on the label. So far as the aspect of colour scheme is concerned, a comparison of the two rival trade-dress shows that though there is some resemblance, there are differences also and the differences are more than the resemblances. So far as the use of photograph of the male model on the panel is concerned, it is true that the Defendants have not in their affidavit given any explanation on this aspect of the matter, still in

my opinion, a singular unexplained similarity in the two labels can not lead one, in the face of so many dissimilarities, to the conclusion that there is an intention on the part of the Defendants to deceive and to pass off their product as that of the Plaintiffs.

24. So far as aspect of infringement of the alleged copyright of the Plaintiffs in the trade-dress/label/get up by the Defendants is concerned, according to the averments in the plaint, the Defendants' label/trade-dress is a substantial reproduction of the label/trade-dress of the Plaintiffs, and therefore, according to the Plaintiffs, their copyright in the artistic work is infringed. According to the Plaintiffs, in or about 2001-02 the Plaintiff No. 1 engaged the services of the advertising agency to create an artistic work. According to the Plaintiffs, they have copyright in the artistic work of the said label/trade-dress and that copyright is infringed by the Defendants. Perusal of the definition of the term "Copyright" found in Section 14 of the Copyright Act, 1957 shows that in relation to an artistic work, a copyright can be said to have been breached if that work is reproduced in any material form by a person other than the owner of the copyright. Therefore, the moot question is, can it be said that the label/trade-dress of the Defendants is substantially reproduction of the label/trade dress of the Plaintiffs. I have pointed out above the points of difference between the label of the Plaintiffs and that of the Defendants and in view of the finding recorded above, in my opinion, it cannot be said that the label/trade-dress of the Defendants is substantial reproduction of the label/trade dress of the Plaintiffs. Therefore, in my opinion, prima facie, it cannot be said that the Defendants have infringed copyright of the Plaintiffs in the trade-dress/label.

25. For all these reasons, therefore, in my opinion, it cannot be said either that the Plaintiffs have made out a strong prima facie case of passing off or infringement of copyright and therefore the Plaintiffs are not entitled to any interim injunction. Notice of Motion, therefore, disposed of. Ad-interim orders presently operating are vacated.

26. The Plaintiffs had moved for ad-interim order in this Notice of Motion without issuing notice to the Defendants and the Court by order dated 28-6-2005 on the basis of averments made in the plaint and the averments in the affidavit filed in support of Notice of Motion, granted ad-interim order in terms of prayer Clauses (a) and (b) of the Notice of Motion in favour of the Defendants. By prayer Clause (a) an injunction was claimed restraining the Defendants from using their label/trade-dress and by prayer Clause (b) the Defendants were restrained from selling their goods in the label/trade-dress which is impugned in the plaint. The result of the ad-interim order was, thus, that the Defendants were restrained from doing their business on the basis of the impugned label. For getting ad-interim order without issuing notice to the Defendants, averments have been made in paragraph 15 of the plaint. It is stated thus in paragraph 15:-

"If such notice is given or more delay occurs in giving reliefs, the Defendants will flood the market with infringing goods and cause confusion and deception

amongst the consumers and the Plaintiffs will not be in a position to stop such illegal activities of the Defendants. The Plaintiffs believe that huge quantity of the products bearing the impugned mark and the impugned label/trade dress are ready for sale and lying in the premises of the Defendants. If the ex parte reliefs prayed for are not granted the Defendants will cause further damage to the Plaintiffs by dumping the goods bearing the impugned label/trade dress in the market. The Defendants will cheat more and more members of the public. The purpose of making the application will be defeated if such notice is given to the Defendants.

27. So far as this aspect of the matter is concerned, the Defendants have stated in their affidavit in reply that there was no justification for the Plaintiffs to move the court for ex parte ad-interim order. According to the Defendants, the Plaintiffs moved for exparte ad-interim order on the ground of urgency. According to the Defendants, the conduct of the Plaintiffs itself shows that there was no urgency in the matter. In paragraph 3(a) of Shri Sanjib Chatterjee dated 14th July, 2005 the Defendants have stated thus:-

Urgency

....The Plaintiffs have obtained the injunction on 28th June, 2005. The suit was lodged on 20th June, 2005. The Resolution of the 1st Plaintiffs authorising the filing of the suit was passed on 30th May 2005. The Resolution specifically mentions and authorises a suit being filed against the Defendants. On 30th may, 2005, therefore the 1st Plaintiffs had decided to file a suit against the Defendants and even obtained Board approval. The actual application was however made a full four weeks later, which establishes the fact that the Plaintiffs themselves considered the matter as involving little urgency.

28. The Defendants have further stated that the second reason that has been given by the Plaintiffs for moving the court for exparte ad-interim order is that if the Defendants receive a copy of Notice of Motion, it would flood the market with stock. According to the Defendants, the statement made by the Plaintiffs is false to the knowledge of the Plaintiffs themselves for the following reasons.:

i) In so far as the present goods are concerned, the concept of flooding the market is a myth. For goods such as the present, the market has saturation limits beyond which products cannot be released. The products are sold through organized retail chains and are not cheap commodities that can be dumped.

ii) The 1st Defendant is a reputed company, which belongs to the internationally renowned "Henkel" Group. The Henkel Group has interests and businesses in 150 countries the world over and a total aggregate turnover of 10.6 billion Euros (Rupees 59,360 Crores). The apprehension that it would dump the products into the market like some unscrupulous traders is uncalled for.

iii) The process of dumping goods into the market invariably results in the reputation of the manufacture being adversely affected. The 1st Defendants who

are a subsidiary of a well-known multi national corporation having business interests in more than 150 countries across the world will have no interest or desire whatsoever in tarnishing its business, reputation and goodwill by indulging in such acts. It is preposterous to allege that the "Palette brand" and the Schwarzkopf and Henkel reputation will be undermined by the Defendants, on notice of an intended interlocutory application.

29. The Defendants have further stated that the statement made by the Plaintiffs that the Defendants have huge stock of goods in question is factually incorrect and the Plaintiffs have made that statement without any basis. The contents of paragraph 3 of the affidavit of Mr. Sanjib Chatterjee dated 14th July, 2005 have been dealt with in paragraph 10 of the affidavit of Mr. P.L. Mishra filed on behalf of the Plaintiffs. Perusal of paragraph 10 shows that the Plaintiffs have not dealt with any of the statement made in paragraph 3. They have merely denied those statements. Thus, in reply to paragraph 3 of the affidavit of Mr. Sanjib Chatterjee referred to above the Plaintiffs have not tried to give any justification why if they had decided to file suit on 30th May, 2005 and the matter was urgent, they waited till 28-6-2005 to move the court. They have also not explained as to what was the source of the information of the Plaintiffs on the basis of which they stated that the Defendants have huge stock of the goods and that they will flood the market with the stock. Perusal of the verification Clause of the plaint shows that the statements in paragraph 15 of the plaint have been made on the basis of information received and believed to be true by the Plaintiffs. Obviously, therefore, when the correctness of the statements made in paragraph 15 was challenged by the Defendants, it was for the Plaintiffs to disclose the source of their information and substantiate their statement. It is obvious from the conduct of the Plaintiffs that they moved the court for grant of ad-interim orders in this Notice of Motion without issuing notice to the Defendants, without there being any justifiable reason. It is obvious from the record that the Plaintiffs and the Defendants are business rivals and therefore, there is a room to assume that the Plaintiffs deliberately moved the court for exparte ad-interim order so that they would malign the Defendants by securing ad-interim order. Rule 148 of the Original Side Rules requires a party moving for interim order to give an undertaking in writing to pay damages if the court finds that because the Plaintiff has secured an interim order from the court to which it was not entitled, which has caused prejudice to the interest of the Defendant. Such an undertaking has, in fact, been given by the Plaintiffs. As I have come to the conclusion that the Plaintiffs were not at all justified in moving the court for ad-interim order without issuing notice to the Defendants, and as I have found also on merits that the Plaintiffs were not entitled to any temporary injunction order against the Defendants, the undertaking given by the Plaintiffs under Rule 148 of High Court (O.S.) Rules is liable to be invoked. The Defendants in their affidavit have stated that they have suffered prejudice because of the operation of the ad-interim order against them. In my opinion, therefore, this is a fit case where the court should order an inquiry into the aspect as to how much compensation is to be

awarded to the Defendants by way of damages suffered by them, because of the operation of the ad-interim order against them. Therefore, though the Notice of Motion is disposed of, it is directed that in case the Defendants file affidavit claiming compensation in this regard, the matter be placed before the court for appropriate orders.