

**(2004) 11 DEL CK 0015**

**In the Delhi High Court**

**Case No : I.A. No. 11171/03 in CS (OS) No. 2040/03**

Societe des Products Nestle S.A. and Another

APPELLANT

Vs

Gopal Agencies and Others

RESPONDENT

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**Date of Decision :** 04-11-2004

**Acts Referred:**

**Citation :** (2004) 115 DLT 230 : (2005) 30 PTC 63

**Hon'ble Judges :** Mukul Mudgal, J

**Bench :** Single Bench

**Advocate :** Pratibha M. Singh and Anubha, for the Appellant; Jayant Bhushan and Deepal Sharma, for the Respondent

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## **Judgement**

Mukul Mudgal, J.—This interim application for interim injunction has been filed in the suit averring violation of intellectual property rights of the plaintiff by the defendants. The plaint avers as follows:-

(a) The plaintiffs had launched the Maggi Sauce in 1985 originally comprising of tomato and hot and sweet variants. In 1987 Chilli Garlic and Masala Chilli variants were also introduced. The dispute arises on account of the defendants' mala fide imitation of 200 grams bottles in the variants 'Hot and Sweet', 'Chilli Garlic' and 'Masala Chilli' marketed by the plaintiff since 1985 and 1987 respectively.

(b) The plaintiff's case is based upon what it avers to be its bottles which are distinctive in shape and size and have yellow coloured striated caps. The bottles have one smaller neck label and one large label on the body of the bottle. The plaintiff is a large trading concern, trading all over the world and had built an enviable reputation due to extensive advertising and other modes of communication including successful television commercials.

(c) The plaint was filed on account of the defendants marketing 200 grams bottle with identical three variants, namely, 'Hot and Sweet', 'Chilli Garlic' and 'Masala Chilli' with effect from 7th April, 2003.

(d) The plaintiff's case is that the product of the defendant as indicated by substantially similar labels, identical bottle shape, identical get-up, packaging and overall appearances tends to deceive a customer and the adaptation of the plaintiff's feature is a conscious mis-representation. Passing off results in not only when actual confusion occurs but can arise on account of the initial interest confusion which arises when a customer evinces interest in the defendant's products due to the adaptation of the plaintiff's feature by the defendants.

(e) The defendant is thus resorting to unfair competition by adaptation of impugned labels, names and the trade dress by the defendants similar to that of the plaintiff and using the plaintiff's goodwill to enrich itself unjustly. That copyright of the plaintiff was violated by the adaptation of the plaintiff's label by the defendant.

(f) The overall similarities and the copying of the series of products marks and get up is likely to cause confusion and the plaintiff is thus entitled to an injunction on account of the law laid down by the following judgments:-

a) Laxmikant V. Patel Vs. Chetanbhat Shah and Another, .

b) Ciba-Geigy Limited and Anr. Vs Surinder Singh and Ors. 1998 (18) PTC 545 (Del)

c) Colgate Palmolive Company and Another Vs. Anchor Health and Beauty Care Pvt. Ltd., .

(g) that the plaintiff's products used from at least since 1987 have acquired a descriptive and secondary meaning and status.

(h) that the plaintiff has been using the aforesaid product names since 1985 and 1987 respectively and the defendants used them since April, 2003 only and the said products, i.e., sub brands 'Hot and Sweet', 'Chilli Garlic' and 'Masala Chilli' are similar descriptive words and have become distinctive of the plaintiff. In any event these words have acquired a secondary meaning in favor of the plaintiff due to the plaintiff's long user of such products. Reliance is placed on the following judgments:-

a) Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, .

b) Godfrey Philips India Ltd. Vs. Girnar Food and Beverages Pvt. Ltd.,

c) Indian Shaving Products Ltd. and Anr. Vs Gift Pack and Anr. 1998(18) 698 (Del) 23

2. That the substantial part of the buyers in the market place can be misled since the class of prospective customers could be house-wives, domestic servants, cooks, children etc., who are likely to be deceived by the use of the product name itself. The tests of a customer of average intelligence has been suggested and the following judgments are relied upon:

- a) Parle Products Pvt. Ltd. Vs J.P. And Co. Mysore PTC (1)(Supp.) (SC) 346
- b) Satyam Infoway Ltd. Vs. Sifynet Solutions Pvt. Ltd.,
- c) K.R. Chinna Krishna Chettiar Vs. Shri Ambal and Co., Madras and Another,
- d) Corn Products Refining Co. Vs. Shangrila Food Products Ltd.,
- e) Info Edge Vs Shailesh Gupta 2002 (24) PTC 355 (DelHI.)
- f) Yahoo Inc. Vs Akash Arora 1999 (19) PTC 219

3. That further principles of passing off have been relied upon in view of the following judgments:-

- i) YVES St Laurent Perfumes and Anr. Vs Louden Cosmetics 39 IPR 11
- ii) LSK Microwave Advance Technology Pty. Ltd. and Anr. Vs Rylead Pty. Ltd. Page 109 (lines 20-25) Pages 110-11, Page 113(lines 15-20) Page 115(lines 15-20)
- iii) Griffin and Sons Ltd. Vs Regina 19 IPR 425

4. There are two facets put forward by Ms. Pratibha Singh, the learned counsel for the plaintiff which are required to be kept in mind. The first is the visuals of the competing products and whether there is likelihood of the deception of an average consumer by the visual representation of the defendant's product. The second is the adoption of the sub brands "hot and sweet", "masala chilli" and "Chilli garlic" by the defendant and the acquisition of descriptive rights, if any, in respect of such sub brands by the plaintiff by virtue of their plea of marketing them extensively since 1985 and 1987.

5. I will first take up the plea of visual similarity. There is no doubt that the plaintiff's product has a yellow cap and 2 yellow sub labels on the neck and body of the bottle and so has the defendant's product. However, the representation of the defendant's name in bold letters and the colour scheme of the background of the name in blue in a totally different shape as opposed to the plaintiffs heart shaped red background where its brand name 'Maggi' is displayed sufficiently differentiates the products of the defendant and overrides the similarities. Even the bold visual representation of a red and green chilli which is totally absent from the plaintiff's product is also sufficient to distinguish the plaintiff's product. Thus, the visual representation does not disclose that there is any likelihood of confusion of a customer of average intelligence. The Court must keep in mind that the customer to be reckoned is one of average and not sub-average intelligence. Keeping the two competing bottles side by side indicates clearly that no average customer is likely to be misled into buying the defendant's product by mistaking it to be that of the plaintiff's.

6. The plaintiff's counsel, Ms. Pratibha Singh submitted that the average Indian consumer could be a housewife or a domestic servant, cook or children which class can easily be misled. This argument of an illiterate and ignorant Indian is largely based upon the judgment in Cadila Health Care Ltd. Vs. Cadila

Pharmaceuticals Ltd., . The relevant portion thereof read as under:-

"25. The drugs have a marked difference in the compositions with completely different side effects, the test should be applied strictly as the possibility of harm resulting from any kind of confusion by the consumer can have unpleasant if not disastrous results. The Courts need to be particularly vigilant where the defendant's drug, of which passing off is alleged, is meant for curing the same ailment as the plaintiff's medicine but the compositions are different. The confusion is more likely in such cases and the incorrect intake of medicine may even result in loss of life or other serious health problems. In this regard, reference may usefully be made to the case of Glenwood Laboratories Inc. v. American Home Products Corp. 173 USPQ 19:(1972) F455 . Reports 2d, 1384 (1972) where it was held as under:

"The products of the parties are medicinal and applicant's products is contraindicated for the disease for which opposer's product is indicated. It is apparent that confusion or mistake in filling a prescription for either product could produce harmful effects. Under such circumstances, it is necessary for obvious reasons, to avoid confusion or mistake in dispensing of the pharmaceuticals.

26. It was further submitted on behalf of the appellant that although the possibility of confusion in a drug being sold across the counter may be higher, the fact that a drug is sold under prescription or only to physicians cannot by itself be considered a sufficient protection against confusion. The physicians and pharmacists are trained people yet they are not infallible and in medicines, there can be no provisions for mistake since even a possibility of mistake may prove to be fatal."

"33. The decisions of English Courts would be relevant in a country where literacy is high and the marks used are in the language which the purchaser can understand. While English cases may be relevant in understanding the essential features of trademark law but when we are dealing with the sale of consumer items in India, you have to see and bear in mind the difference in situation between England and India. Can English principles apply in their entirety in India with no regard to Indian condition? We think not. In a country like India where there is no single common language, a large percentage of population is illiterate, and a small fraction of people know English, then to apply the principles of English law regarding dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiff's goods seems to overlook the ground realities in India. While examining such cases in India, what has to be kept in mind is the purchaser of such goods in India who may have absolutely no knowledge of English language or of the language in which the trade mark is written and to whom different words with slight difference in spellings may sound phonetically the same. While dealing with cases relating to passing off, one of the important tests which has to be applied in each case is whether the misrepresentation is likely to cause an ordinary consumer to confuse one product

for another due to similarity of marks and other surrounding factors. What is likely to cause confusion would vary from case to case. However, the appellants are right in contending that where medicinal products are involved, the test to be applied for adjudging the violation of trademark law may not be at par with cases involving non-medicinal products. A stricter approach should be adopted while applying the test to Judge the possibility of confusion of one medicinal product for another by the consumer. While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health and in some case life itself. Stringent measures should be adopted specially where medicines are the medicines of last resort as any confusion in such medicines may be fatal or could have disastrous effects. The confusion as to the identity of the product itself could have dire effect on the public health.

However, the above judgment is often cited out of context without taking into account the following salutary position of law contained in the concluding and operative portion of the judgment in Cadila case (supra) which is 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 trade 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 fact in every case."

7. There is another judgment of the Division Bench of this Court in Kellogg Company vs Pravin Kumar Bhadabhai reported as 1996 (16) PTC 187 which is directly relevant to the present case. The relevant portion of the said judgment reads as follows:

"2. ....The learned Single Judge after referring to the case law pertaining to

"trade dress" of the appellant dismissed the is observing:

"If the trade dress in this case is as was found in the above case (i.e. Colgate Palmolive Ltd. and ors. vs. K.F. Pattron 1978 RPL 635, I would have had no hesitation to accept the arguments of Mr. Anand. Applying the test laid down therein, I am of the view that the trade dress of the defendant in this case is entirely .. different from the trade dress of the plaintiff and there is absolutely no scope for any confusion."

3. On that basis, the learned Judge stated that the appellant had not proved prima facie case nor balance of convenience and hence no injunction could be granted.

4. ....

5. It was further stated that in all the cartons of Kellogg's in regard to various commodities, there was a red-band at the top which took off from the square on the left top and can horizontally across on the front top into the right and to the other sides and respondent also used a similar red band taking off horizontally from the square on the left top. It was also argued that even in regard to the square on the left top. It was also argued that even in regard to the square on the left side top, Kellogg's used an inner red border, then a white gap and then an outer green border, running all along the sides of the quire while respondent was also using the same red and green borders for the square on the left top. It was submitted that there was a presumption that the consumer's memory was short and if a consumer had purchased a carton of appellant's at one point of time, he would easily mistake the respondent's carton for the appellant's. It was further submitted that respondent had done this with dishonest intention.

6. ....

7. ....

8. ....

9. ....But in our prima facie view, the prominent display of the words "Kellogg's" in bold red letters in white background inside the square on the left top appellant's carton cannot go unnoticed by any buyer.

10. The law relating to "trade dress" is very clear. Kerly in "Law of Trade Marks" (12th Ed. 1986 para 16.67) says that it is usually true in some degree that a trader's goods are recognized by their general appearance, or "get up". Accordingly, resemblance or "get up" is not uncommonly an ingredient in passing off and it is possible for imitation of get up alone to amount to passing-off. Such cases are rare, since few traders rely on get up alone to distinguish their goods so that trade names and word trade marks are ordinarily present too" and the author says"

and in these days, in this country a difference in names is enough to warn the public that they are getting one trader's goods and not the others"" (Sapers vs.

11. ....

12. ....

13. ....

14. That Lordships then said that the test applied by Powell, J. in the instant case was that one has to see whether the consuming public would be confused or misled by the get-up, the formula or the advertising of the respondent's product into thinking that it was the appellant's dissimilar products. Powell, J. held on the facts, that the public were not so deceived.

15. ....

16. ....

17. ....

18. ....

19. In the present case, in spite of any other close resemblances in the cartons, the names "AIMS" written prominently on the respondents carton would, in our view, prima facie, as in case before Lord Halsbury show that there was no intention on the part of the defendants to play fraud by misrepresenting his goods as the goods of the appellant. In that very case Lord Halsbury emphasised the need to see the whole description on the goods as one whole and not the individual features in isolation ...

" ..... The whole question in these cases is whether the thing - taken in its entirety, looking at the whole thing, as such that in the ordinary course of things a person with reasonable apprehension and with proper eyesight would be deceived"

20. ....

21. That brings us finally to the question of the failing memory of the customer. The argument is that customers have short memory and that if the trade dress is similar, the customers are likely to get confused.

22. It has now been held that there are limitations to the theory of imperfect memory. Halsbury's Laws of England (4th Edn.) (Vol. 48 para 139) says that this principle of imperfect recollection must not be pressed too far. It says:

"The Tribunal must bear in mind that the marks will not normally be seen side by side and guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the former mark. However the doctrine of imperfect recollection must not be pressed too far (*Chaapple Ltd.*) vs. *Spratt's Patent Ltd.* (1954) 71 RPC 455). Marks are often remembered by general

impressions of by same essential feature(De cordova Vivek Chemical Co. (1951) 68 RPC 106 (PC) ( on appeal 71 RPC 348 (CA).

23.....but takes the bottle without sufficient consideration and without reading what is written very plainly indeed up - the face of the label on which the trade has placed his own name, then you certainly cannot say he is deceived - in fact, he does not care which it is. That would be the true interference which I think a person would draw from conduct so described.....

31. In the result, on our prima facie conclusions, we reject the plea of similarity or likelihood of confusion, we reject the plea of fraud as well as the one based on imperfect memory. We are of the view, prima facie that even though the get up is similar the different names Kellogg's and AIMS ARISTO prominently displayed, make all the difference and this is not a fit case for interference with the order of the learned Single Judge refusing injunction.""

8. Instead of dealing with the plethora of judgments cited by either side, it is sufficient in my view to deal with this application in view of the binding position of law summed up by the Hon'ble Supreme Court in Cadila's case (supra) and the Kellogg's case (supra) the SLP against which judgment was dismissed by the Hon'ble Supreme Court on 18th July 1996. The marks are not phonetically similar though the nature of the goods are the same so is the nature and performance of the goods. The label and the shape of the bottles are the crucial ingredients in the present case and a perusal of these labels show that there is no such degree of similarity in the marks which would deceive the class of purchasers which is likely to buy the specialized sauces which are the subject matter of dispute in the present case. In the present case adequate weightage is thus required to be given to the class of likely purchasers of the specialized nature of the products.

9. Thus in accordance with the above position of law in Cadila's judgment (supra) the Court must keep in mind the type of customer who buys specialized sauces. This is a customer who is paying about Rs. 25/- for a 200 gms product translating into about Rs. 125/- per kg. These sauces are generally used for specialized foods such as the continental and Chinese dishes. What may apply to the humble tomato sauce priced much lower may not and indeed does not ipso facto apply to such speciality food products Constituting a niche and sophisticated market. In the light of the aforesaid background and the fact that while there are some similarities in the bottle shape and cap and sticker colour yet on an overall visual comparison of the two products the defendants' product cannot be mistaken in the market place to be that of the plaintiff's. The display of the defendant's name in bold letters and in a prominently different background colour also discloses prima facie that there was no intent to pass off the defendant's products as those of the plaintiff's as per the test laid down in Kellogg's case(supra). Furthermore, the defendant has demonstrated that the bottle shape and the yellow cap and yellow stickers were not an infrequently adopted trade dress in the sauce industry. The defendant had further agreed to

market its cap without striations similar to the plaintiff on the cap. The learned counsel for the defendant also submitted that with the newly adopted shape of the 3 products by the plaintiff the grievance qua the shape of the bottle of the defendant's product being the same shape as that of the plaintiff's was now academic. In any case the bottle design and shape of the plaintiff's bottle was not so distinctive so as to acquire its own special identity. Consequently, I am of the view that the plaintiff has been unable to prove that on account of the averred visual similarities that of the competing products that any average consumer is likely to be misled into buying the defendants' products mistaking it to be that of the plaintiff's products.

10. The second facet of the plaintiff's case about the dishonest adoption of its successful and established sub brands "Hot and Sweet" "Chilli Garlic" and "Masala Chilli" is, however, required to be considered separately. I will first take the sauce "Chilli Garlic" which admittedly comprises of the ingredients chilli and garlic and both the words are generic and descriptive of the contents and quality of the product. Consequently, the plaintiff at this prima facie stage cannot claim any exclusively or vested rights in the sub brand "chilli garlic."

11. The other two sub brands, namely, "Masala Chilli" and "Hot and Sweet" have prima facie been shown to be successfully marketed by the plaintiff at least since 1987. The plaintiff has brought on record its television advertisement campaign and other material to show its substantial presence in the market for almost two decades. While the defendant's trade dress in itself was sufficiently distinctive so as not to create any room for deception, yet it has not been able to come forward with any cogent Explanation why it adopted the sub brands "Masala Chilli" and "Hot and Sweet" which had been successfully marketed since 1987 by the plaintiff. The defendant's principal stand is that there is no distinctiveness attached to the two sub brands of the plaintiff due to the common occurrence of the title "Hot and Sweet" in the food industry. The defendant has submitted that "Masala Chilli" and "Hot and Sweet" being descriptive of the ingredients of the products can not be distinctive at all. The defendant has also tried to justify his products by referring to certain internet downloads which indicate that "Hot and Sweet" is commonly used as an epithet in the food industry. These references are Internet downloads in respect of certain imported products. In this view of the matter, I am of the opinion that the mere fact that there are edible products by the profile "Hot and Sweet" available in the market still cannot detract from the fact that the defendant has not given any proper Explanation for the adoption of the sub brands "Masala Chilli" and "Hot and Sweet" identical to that of the plaintiff. The lack of any cogent Explanation coupled with similarity in fonts justifies the plaintiff's claim against the defendants in so far as the grounds of adoption of up brands "Masala Chilli" and "Hot and Sweet" by the defendant is concerned. These two phrases are undoubtedly coined by the plaintiff since at least 1987. "Masala Chili" and "Hot and Sweet" also do not directly refer to the Constituting ingredients unlike "Chili Garlic" sub brand for which I have already declined an injunction. In respect of these two products the plaintiff's has prima

facie demonstrated that they had acquired sufficient reputation in the market place so as to acquire a distinctive and descriptive and indeed a secondary reputation. During the course of hearing the learned counsel for the defendants was asked whether his client was prepared to alter/change the nomenclature of the two sub brands "Masala Chilli" and "Hot and Sweet" without altering the total dress so as to avoid any suggestion or impression of deriving any advantage from the reputation enjoyed by the said sub brands of the plaintiff. However, the learned senior counsel for the defendants Shri Jayant Bhushan submitted that the defendant's products were sufficiently distinguishable and his client was thus not in a position to change the nomenclature of the sub brands and consequently wanted this issue to be decided on merits.

12. Accordingly, I am taking the plea relating to sub brands "Masala Chilli" and "Hot and Sweet". Firstly, the fonts of the sub brands "Masala Chilli" and "Hot and Sweet" in both the defendant's and the plaintiff's products are almost identical. So is the placement of the said letters as well as the size. Furthermore, the plaintiff has demonstrated its presence in the market in respect of the two products at least since 1987. It has also prima facie shown that it has incurred considerable expenditure by way of advertisement revenues to establish its sub brands in the market. Unlike "Chilli Garlic" sub brand, the brands "Masala Chilli" and "Hot and Sweet" do not directly refer to the ingredients and components and are in that sense words coined by the plaintiff and by the process of being in the market for almost two decades the plaintiff's said two products have acquired a descriptive and secondary reputation qua these two sub-brands. The defendant has not been able to give any cogent Explanation as to why it adopted exactly the same sub brands "Masala Chilli" and "Hot and Sweet". Thus, prima facie it does appear that while the defendant's trade dress is sufficiently distinguishable, its adoption of the two sub brands "Masala Chilli" and "Hot Sweet" is inspired by the plaintiff's products and deserves to be enjoined.

11. Consequently the plaintiff is entitled to an interim injunction qua the two sub-brands "Masala Chilli" and "Hot and Sweet". Accordingly the defendants are restrained from using the sub-brands "Masala Chilli" and "Hot and Sweet" in respect of their sauces during the pendency of the suit.

13. In view of the foregoing reasons and discussions, the application stands allowed partly.

CS(OS) No.2040/03

List the suit on 10th January, 2005 for further proceedings.