

\$~* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

10

+

CS (OS) 233 of 2012

FERRERO SPA & ANR.

..... Plaintiffs

Through: Ms. Vaishali Mittal and Ms. Nupur
Kumar, Advocates

versus

MAHENDRA DUGAR & ANR.

..... Defendants

Through: None

CORAM: JUSTICE S. MURALIDHAR

ORDER

24.07.2013

%

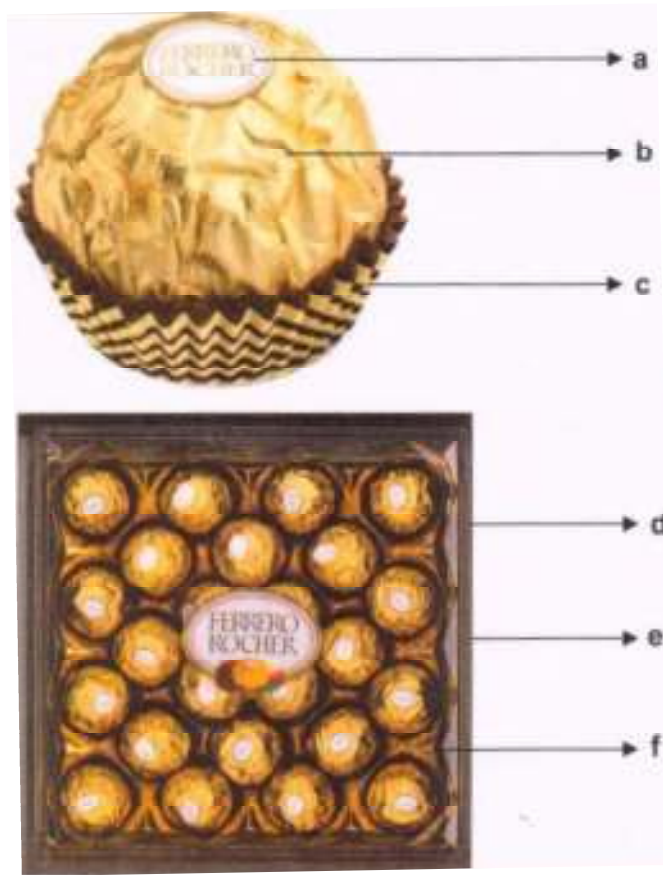
1. Ferrero SPA and Ferrero India Pvt. Ltd. ['FIPL'], Plaintiffs 1 and 2 respectively, have filed this suit against Mr. Mahendra Dugar and Maxsweet Foodstuffs Co. Ltd., China, Defendant Nos.1 and 2 respectively, seeking a permanent injunction restraining the Defendants from infringing the Plaintiffs' registered trademarks, including trade dress, FERRERO ROCHER and from passing off the Defendants' goods as the Plaintiffs' FERRERO ROCHER chocolate specialities. An incidental prayer for damages has also been sought.

2. Plaintiff No.1 was founded by founded by Pietro Ferrero in 1946. He is stated to have concocted innovative products in his small pastry shop which

grew to become a factory and later a worldwide success story. Plaintiff No.1 is stated to be one of the four biggest confectionery producers worldwide, employing around 22,000 people. It is stated that the word 'FERRERO' is a foreign surname and has no meaning in India except as a trademark for high quality, delicious chocolates and confectionery of Plaintiff No.1. Plaintiff No.2 is the Indian subsidiary of Plaintiff No.1, having its registered office at Primrose Road, Gurapa Avenue, Bangalore and the branch office at Delhi. Plaintiffs 1 and 2 are collectively referred to hereafter as the Plaintiff.

3. It is stated that among the trademarks in the Plaintiff's portfolio are FERREROR ROCHER, NUTELLA, TIC TAC and a host of others. The Plaintiff company is also known worldwide for its KINDER umbrella mark and several marks belonging to KINDER family such as KINDER SURPRISE, KINDER BUENO, KINDER JOY, KINDER COUNTRY etc..

4. It is stated that the Plaintiff's chocolates are the most sold praline worldwide. The annual sales turnover of FERRERO ROCHER is stated to be one billion US Dollars. It is stated that the consumers and the trade alike identify and recognize the products of the Plaintiff owing to the distinct and packaging style of FERRERO ROCHER chocolates which have the following distinct elements:



- a) the rounded crushed gold wrappers always bear an oval shaped white sticker
- b) crushed gold coloured wrappers that hold nutty chocolate balls,
- c) each resting in a fluted brown coloured cupcake shaped holder
- d) These uniquely packaged individual chocolates are further packed in transparent boxes, bearing an oval label on the lid
- e) A distinctive diamond pattern on the cover in one of the packaging variants FERRERO ROCHER chocolates which has been used since 2003 and is registered as a trademark under the Madrid protocol
- f) The contents of the box in their egg holder-style container can be clearly seen by the purchasers in packaged form without opening it.

5. It is stated that the aforesaid features have been used for several decades

and have become a characteristic part of FERRERO ROCHER packaging. It is stated that the trade dress of FERRERO ROCHER thus has substantial trademark significance of its own and is unfailingly recognised and identified by the consumers as being a product of a singular origin. The Plaintiff states that they hold the following three registrations in India for the trademarks:

Trademark	Regn. No.	Class	Date
FERRERO ROCHER (Word Mark)	802131	30	14.5.1998
FERRERO ROCHER (Label with Praline Device) 	1261994	30	19.01.2004
Praline Device in crushed wrapper and fluted cupcake wrapper 	1678048	30	21.04.2008

6. The Plaintiff states that it has spent millions of dollars worldwide, including in India on the promotion and publicity of its chocolate under the trade dress as described above, which brings out sharply distinct features of FERRERO ROCHER. It is stated that the crushed gold and fluted brown

wrappers of FERRERO ROCHER chocolates along with the oval ribbon like device are as familiar and identifiable to consumers worldwide.

7. It is stated that Plaintiff No.2 has been importing, marketing and promoting a range of the Plaintiff's products including FERRERO ROCHER chocolates for domestic consumption. The annual sales of the Plaintiff's products in India is stated to be around Rs. 110.82 crores. Para 9 of the plaint sets out the sales figures for the past three years. In 2010-11, the sales turnover was Rs. 22,069 lakhs.

8. The Plaintiff states that they shortly before the suit was filed they learnt that the Defendants were producing look-a-likes of FERRERO ROCHER and are selling the same under the name 'ROY'S'. Defendant No.1 is the importer of Defendant No.2 who is the manufacturer in China of the impugned products. According to the Plaintiff, the Defendants are infringing the registered trademark of the Plaintiff by manufacturing, selling and dealing in the impugned products. The infringement by the Defendants of the Plaintiffs' trademark is depicted in the following diagram with the photographs on the left being that of the Defendants' product and those on the right of the Plaintiffs:



9. The case of the Plaintiff is that by making and selling the aforementioned products the Defendants are passing off their products as that of the Plaintiffs. A consumer of average intelligence and imperfect recollection is bound to be confused or deceived by the appearance of the imported look-alikes. The Plaintiff contends that the huge reputation and goodwill of the trademark FERRO ROCHER and the trade dress would be irreparably

damaged and tarnished if the Defendants are not prevented from such infringement and passing off. It is stated that the trade activities of the Defendants selling their chocolates under the name ROYS is bound to cause incalculable harm and injury to the business, goodwill and reputation of the Plaintiff, thereby leading to dilution and tarnishment of the Plaintiff's FERRERO ROCHER trademark, including the trade dress.

10. Even earlier, the Plaintiff has successfully protected its trademark and trade dress against other infringers by seeking injunctions from this Court. Copies of the orders passed in similar matters have been placed on record. It is stated that if the Defendant is not restrained as prayed for potential customers in India will be taken in by the appearance of the Defendants' products and be induced to buy cheap look-alikes of FERRERO ROCHER bearing the impugned trade dress believing them to be of the same quality and connected in some manner with the Plaintiff's well-known FERRERO ROCHER.

11. The Plaintiff states that the Court has territorial jurisdiction to try the present suit as the Plaintiff actively carries on business in Delhi through an exclusive C&F agent; the Defendants actively carry on business within the territorial jurisdiction of this Court and, therefore, under Section 134(2) of

the Trade Marks Act, 1999 read with Section 20 of the CPC, the Court has jurisdiction to entertain the suit.

12. Summons in the suit were issued on 30th January 2012. While directing notice in IA No. 1822 of 2012 under Order XXXIX Rules 1 and 2 CPC, the Court passed an interim order restraining the Defendants from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in any manner with goods infringing and diluting the Plaintiffs' trade mark FERRERO ROCHER or dealing in any manner with goods or product packaging and from using a trade dress, packaging, colour combination and get up amounting to infringement of the said trademark. A Local Commissioner ('LC') was appointed to visit the address of Defendant No.1 or any other premises of which the LC may acquire the knowledge; to take into custody the infringing goods and thereafter seal the same and return them on *superdari* to Defendant No.1.

13. On 26th March 2012, the following order was passed in the presence of learned counsel for Defendant No.1:

“The plaintiff has file the suit for permanent injunction restraining infringement of trade marks, trade dress, passing off, rendition of accounts, delivery up, dilution and damages etc. The suit along with interim application was listed before the Court on 30.01.2012. The Court passed the following interim orders:

“After considering the documents and averments of the plaint coupled with the similar order passed in favour of the plaintiffs, till the next date of hearing, the defendants are restrained from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in any manner with goods infringing and diluting the plaintiffs' trade marks, dealing in any manner with goods or product packaging and from using a trade dress, packaging, colour combination, lay out and get up amounting to infringement of the trademark FERRERO ROCHER of the plaintiffs.”

While passing the above said order, the Court also appointed Local Commissioner, inter alia, to make the inventory of the infringing goods having similar trade dress, packaging, colour combination, lay out and get up designed to imitate the plaintiffs' trade marks and trade dress of FERRERO ROCHER. In terms of the said order, the Local Commissioner visited the premises of the defendant on 04.02.2012. Mr Mahendra Kumar Dugar before the Local Commissioner has denied importing any chocolates bearing resemblance to the plaintiffs' FERRERO ROCHER product or importing any chocolate bearing similar shape or trade dress as that of the plaintiffs' product. However, the defendant No.1 before the Local Commissioner has not denied the fact that the defendant No.1 is importing confectionary and chocolates under different name and trade dress. The learned counsel, appearing on behalf of the defendant No.1, states that in view of the statement made before the Local Commissioner, the defendant No.1 further undertakes before this Court not to infringe the trade marks of the plaintiffs. Mr Pravin Anand, learned counsel appearing on behalf of the plaintiffs, accepted the suggestion made by the defendant No.1. He submits that since the undertaking has been given by the defendant No.1, therefore, no further cause of action survives against the defendant No.1 and the plaintiffs wish to withdraw the said suit against defendant No.1. However, he submits that the suit against defendant No.2 may proceed further. Ordered accordingly. The suit is dismissed as withdrawn qua defendant No.1.

The service of defendant No.2 is awaited. Fresh summons and notice be issued to the defendant No.2, on filing of process fee and registered AD covers within one week as well as by way of e-mail and fax,

returnable on 30.07.2012.

Interim order to continue.”

14. Despite service of summons on Defendant No.2, none appeared on its behalf. Accordingly, Defendant No.2 was set *ex parte* on 6th December 2012. The *ex parte* evidence by way of affidavit of the Plaintiff was filed and proved in accordance with law before the Joint Registrar. Along with the affidavit dated 16th March 2013 of Mr. Manoj Kumar, the Regional Sales Manager of Plaintiff No.2, several documents have been marked as exhibits. The said affidavit has remained uncontroverted.

15. The authorisation by the Plaintiff of Mr. Manoj Kumar and the attorney of Plaintiff No.1 and Board of Resolution in favour of the constituted attorney of Plaintiff No.1 have been proved. The Plaintiff has also proved the trademark registration certificates for Registration No.1261994 (Label with Device) (Ex.PW1/24), No.16780348 (PW1/25) (device in crushed wrapper and fluted cupcake wrapper) and No.180213 (PW1/26) (word mark) all under Class-30. The worldwide reputation of the Plaintiff's mark as evidenced by Exhibits PW1/5, PW1/11, PW1/13, PW1/15 has been proved. The certificates of registration of the Plaintiff's trademarks in other countries have also been marked as exhibits, for eg. PW1/7, and PW1/8. The

Plaintiff's sales have been proved through the invoices (Ex.PW1/16). The audited balance sheet of the Plaintiff for the year 2009-2010 is marked as (PW1/17 [colly] and articles appearing on various newspapers has been marked as (Ex.PW1/21). The photographs of the packaging of the Defendants' products and the website of the Defendant No.2 showcasing the impugned product have been exhibited as PW1/27 and PW1/28.

16. The Court is of the view that the Plaintiff has been able to prove that Defendant No.2 is infringing the registered trademarks as well as the trade dress of the Plaintiff and that by permitting the Defendant No.2 to continue marketing and selling its product 'ROYS, which is a look-alike of the Plaintiff's chocolate FERRERO ROCHER, there will be a continued infringement of both the registered trademark and trade dress of the Plaintiff's products. The Court is satisfied that the products of Defendant No.2 pertaining to the impugned chocolate sold under the name ROYS are bound to cause incalculable harm to the goodwill and reputation of the Plaintiff's product.

17. Accordingly, the suit is decreed against Defendant No.2 as prayed for in terms of prayer at para 18 (i) of the plaint. The Court, on the basis the material placed on record, passes a decree in favour of the Plaintiff and

against the Defendant No.2 in the sum of Rs. 10,00,000 as damages. Further, a decree is passed against Defendant No.2 for delivery up of all the impugned materials of Defendant No.2, including the products, container boxes, labels, wrappers, stickers as well as for rendition of accounts of profits earned by the Defendant No.2 on account of use of the Plaintiff's product FERRERO ROCHER, together with costs of Rs. 10,000.

18. Decree sheet be drawn up accordingly.

S. MURALIDHAR, J

JULY 24, 2013

tp