

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE : 25.04.2017

CORAM

THE HONOURABLE MR. JUSTICE HULUVADI G.RAMESH
AND
THE HONOURABLE MR. JUSTICE RMT. TEEKAA RAMAN

O.S.A. NO. 249 OF 2016
AND
C.M.P. NO. 19825 OF 2016

Techno Plastic Industries
210/10, Rampur Jattan
(Dhakewala) Nahan Road
Moginand, Kala Amb
Distt - Sirmour, Himachal Pradesh... Appellant/Respondent/
Defendants

- Vs -

1. Dart Industries Inc.
Orlando, Florida 32837
U.S.A., rep., by its Constituted Attorney
Mr.Kimberely Weate
2. Tupperware India Pvt. Ltd.
204-206, Tolstoy House
15, Tolstoy Marg
New Delhi 110 001, rep. by its
Authorised Signatory, Ms. Vandana Batta . Respondents/
Appellants/Plaintiff

Appeal filed against the order dated 21.10.2016, passed by
the learned Single Judge made in O.A. No.1102 of 2015 in C.S.
No.828 of 2015.

For Appellant : Mr. Sathish Parasaran, SC, for
Mr. R.Sathish Kumar
For Respondents: Mr. Hemanth Singh for
M/s. Arun C.Mohan

RESERVED ON	27.03.2017
PRONOUNCED ON	25.04.2017

JUDGMENT

HULUVADI G.RAMESH, J.

This appeal is filed by the appellant against the order passed by the learned single Judge, whereby the learned single Judge had confirmed the order of interim injunction granted in favour of the respondent herein and injuncted the appellant from passing off their products as that of the respondents herein.

2. The respondents herein filed the original applications seeking an order of interim injunction against the appellant herein/defendant from passing off their products as that of the respondents herein, as the trade dress and getup of their products were deceptively similar and almost identical to that of the products manufactured and marketed by the applicants.

3. The case of the applicants before the learned single Judge was that they are in the field of production and sale of food grade plastic storage containers and other products under the brand name of "Tupperware Products". In the course of business activities, the products of the applicants, due to its characteristic features and design distinct appearance, have become unique pieces in the market and, thereby, the goodwill and reputation of the products of the respondents in the market along with the market share rose leaps and bounds. The products of the respondents is being marketed in more than 100 countries across the globe and the market share and the annual sales revenue of the respondents products is to the tune of \$ 2.6 Billion even in the year 2013. The products of the respondents were launched between 2004 and 2011 in the Indian markets and that the respondents are the global leaders in the market pertaining to food grade plastic containers.

4. It is the case of the respondents that they came to know about the identical nature of the products sold by the appellant in the year 2011 within the jurisdiction of this Court, which products are identical in trade dress, design and characteristics to that of the products of the respondents. However, even in the year 2006-2007, coming to know that the appellant is marketing some of the similar products, which are identical to that of the respondents and passing off the said products as that of the respondents, the respondents filed suit before the Delhi High Court with prayer for interim relief. But the same was rejected by the Delhi High Court. Against the said order, appeal was filed by the respondents.

5. Since the appellant is manufacturing and selling products identical in design, distinctiveness and characteristics along with the trade dress to that of the respondents herein, the respondent moved the suit alleging passing off against the appellant herein along with prayer for interim relief.

6. The above stand of the respondents herein was countered by the appellant herein contending that the respondents herein having acquiescence about the of the activity of the appellant and having lost in their quest to obtain interim relief before the Delhi High Court, is estopped from seeking the same relief before this Court on the same cause of action. The said aspect not having been placed before this Court, the respondents have come before this Court with unclean hands and the delay along with the laches on the part of the respondents in not moving this Court at the first instance and further approaching this Court with unclean hands by suppressing the true facts, the respondents are not entitled to any relief, much less the relief of injunction from passing off.

7. Learned single Judge, after exhaustively dealing with the various contentions raised by the parties, in fine, held that the respondents herein have made out a prima facie case for grant of interim injunction as prayed for with a further liberty to the appellants herein to approach the Court for modification as and when suitable changes are made to the products so that it does not carry resemblance/identity as the products of the respondents herein. Aggrieved by the said order, the appellant is before this Court by filing the present appeal.

8. Similar contentions, as was raised before the learned single Judge having been raised before this Court as well and the learned single Judge having elaborately summarised the contentions in the impugned order, this Court desists itself from once again elaborating the contentions. However, reliance has been placed on very many judgments by the learned counsel appearing for the parties, which are tabulated hereunder :-

Judgments relied on by the appellant :-

- i) Indian Performing Rights Society Ltd. - Vs - Sanjay Dalia & Anr. (2015 AIR SCW 5275);
- ii) Thomas & Betts Corp - Vs - Panduit Corp. (36 USPQ 2d 1065);
- iii) Hodgkinson Corby Ltd. - Vs - Wards Mobility Services Ltd. (1995 FSR 169);
- iv) Societe Des Produits Nestle SA & Anr. - Vs - Petra Foods Ltd. (2016 SGCA 64);
- v) Cadilla Health Care Ltd. - Vs - Cadila Pharmaceuticals (2001 (5) SCC 73);
- vi) Aravind Laboratories - Vs - Modicare (2011 (4) LW 55);

vii) Duraco Products - Vs - Joy Plastic Enterprises (32 USPQ 2d. 1724).

Judgments relied on by the respondents :-

i) T.V.Venugopal - Vs - Ushodaya Enterprises Ltd. & Anr. (2011 (4) SCC 85);

ii) Ruston & Hornby Ltd. - Vs - Zamindara Engineering Co. (AIR 1970 SC 1649);

iii) S.Syed Mohideen - Vs - P.Sulochana Bai (2016 (2) SCC 683);

iv) Microlube India Ltd. - Vs - Rakesh Kumar Trading as Saurabh Industries (2013 (55) PTC 61 (Del. - FB));

v) Gorbatschow Wodka KG - Vs - John Distilleries Ltd. (2011 (47) PTC 100 (Bom.));

vi) Faber-Castell Aktiengesellschaft & Ors. - Vs - Cello Pens Pvt. Ltd. & Ors. (Manu/MH/2373/2015);

vii) Skechers USA INC & Ors. - Vs - Pure Play Sports (Manu/DE/1297/2016);

viii) Numatic International Ltd. - Vs - Qualtex UK Ltd. (2010 EWHC 1237 (Ch));

ix) Smithkline French Laboratories Ltd. & Anr. - Vs - Indoco Remedies Ltd. (2001 PTC 672 (Mad.));

x) Micro Labs Ltd. - Vs - Eris Life Sciences Pvt. Ltd. (Manu/TN/2941/2015);

xi) Bharat Glass Tube Ltd. - Vs - Gopal Glass Works Ltd. (2008 (37) PTC 1 (SC));

xii) M/s.Hindustan Pencils Pvt. Ltd. - Vs - M/s. India Stationery Products Co. & Anr. (AIR 1990 Delhi 19);

xiii) M/s.Power Control Appliances & Ors. - Vs - Sumeet Machines Pvt. Ltd. (1994 (2) SCC 448);

xiv) Pankaj Goel - Vs - Danbur India Ltd. (2008 (38) PTC 49 (Del. - DB));

xv) Cable News Network LP, LLLP (CNN) - Vs - Cam News Network Ltd. (2008 (36) PTC 255 (Del.)); and

xvi) Wander Ltd. & Anr. - Vs - Antox India P. Ltd. (1990 (Supp.) SCC 727).

9. Heard the learned senior counsel appearing for the appellant and the learned counsel appearing for the respondents and perused the materials placed on record as also the decisions on which reliance has been placed by the respective counsel to bring home the advantage to their case.

10. It is not in dispute that the respondents herein are in the field of production of food grade plastic storage containers and other goods over a long period of time and that the products are sold by them under the name and style of "Tupperware",

though the said name and mark as also the products are registered under the Trademarks Act. While the products of the respondents are sold under the brand name of "Tupperware", the appellants are selling their products under the brand name of "Signorware". In short, there is no phonetic similarity or deceptive similarity between the two names and, there is no quarrel on the same.

11. The only grievance of the respondents herein is that the appellant is passing off its products as that of the respondents, as the products are more than deceptively similar in appearance, characteristic and all other features. In short, the trade dress/getup of the products of the appellant is so very similar to that of the respondents, there is bound to arise a confusion in the mind of the average citizen with regard to the identity of the products. It is the case of the respondents that not only the design of the plastic food storage containers, but also the bag in which the food storage containers are packed as a whole along with the design of the product name is copied and being passed off as product of the respondents. In fine, it is the submission of the respondents that the goodwill and reputation of the respondents are being usurped through the scheme of passing off by the appellant, wherein the respondents are put to irreparable loss, both monetarily as also reputation-wise.

12. However, the above contention of the respondents is countered by the appellant stating that there being no registration of design or patent, the respondents cannot claim monopoly over the shape of the products. Further, products, similar in appearance has been on the shelf of the retail outlets through various manufacturers, against whom no action for passing off is initiated by the respondents and, therefore, the act of the respondents is only for the purpose of harassing the appellant. Further, the tests for passing off, as has been enunciated by the Supreme Court, time and again, has not been satisfied. The further contention of the appellant is that the commodity, which is said to be passed off, viz., the food grade plastic containers, are not by themselves entitled to exclusivity in its shape and design as has been held by the learned single Judge and further the distinctiveness has not been substantiated in a manner known to law. Further, the trade dress and getup of the product has been infused into the trademark "Tupperware", which is per se illegal and cannot be sustained. The finding of the learned single Judge on this aspect runs counter to the finding of the Delhi High Court between the inter se parties. The trade channels through which the being not identical between the appellant and the respondents, the question of passing off is not made out. Therefore, the collective failure to satisfy all the abovesaid

requirements would not entail the respondents the prayer sought for.

13. Before proceeding to deliberate as to whether a prima facie case has been made out for grant of interim relief, as has been held by the learned single Judge, it would be trite to look into the law with regard to passing off, as has been propounded by the Supreme Court.

14. In *Lakshmikant V. Patel Vs. Chetanbhat Shah & another* (AIR 2002 SC 275), the Supreme Court held that an action for passing off will lie whenever the defendant company's name or its intended name is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses and if this is not made out there is no case. It further stated that where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently. The Supreme Court was of the further view that honesty and fair play are, and ought to be, the basic policies in the world of business and that when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of some one else to himself and thereby resulting in injury. The Supreme Court referred to the judgment in *Oertel - Vs - Bowman* ((1957) RPC 388) and held that gist of passing off action was defined by stating that it was essential to the success of any claim of passing off based on the use of given mark or get-up that the plaintiff should be able to show that the disputed mark or get-up has become, by user in the country, distinctive of the plaintiff's goods so that the use in relation to any goods of the kind dealt in by the plaintiff of that mark or get-up will be understood by the trade and the public in that country as meaning that the goods are the plaintiff's goods. (Emphasis Supplied).

15. On the issue as to the ingredients to be satisfied in an action for passing off, it would be useful to refer to the decision of the Apex Court in *Cadila Health Care Ltd. - Vs - Cadila Pharmaceuticals Ltd.* (2001 (5) SCC 73), wherein the Apex Court had enumerated the various ingredients that are necessary to be looked into when dealing with an issue pertaining to an action for passing off and what would constitute deceptive similarity. For better clarity, the relevant portion is extracted hereunder :-

"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 are 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.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

(Emphasis supplied)

16. Keeping the above broad principles laid down by the Supreme Court in mind, an analysis of the order of the learned single Judge reveals that the litigation between the inter se parties before the Delhi High Court in the case of Dart Industries Inc. & Anr. - Vs - Techno Plast & Ors. (FAO (OS) 326/2007 dated 21.07.2016) shows that three products of the respondents were put in issue before the Delhi High Court praying for the relief of passing off. While considering the issue, the Delhi High Court held as under :-

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

no assertion - except a general and vague assertion with respect to passing off of trade dress - as to how the shape mark which the plaintiffs seek protection of are distinctive for trademark purposes.

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

(Emphasis Supplied)

17. The learned single Judge, while dealing with the issue, while took into consideration the decision of the Delhi High Court, as extracted above, had, however, distinguished the decision on the ground that the prayer was rejected by the Delhi High Court on the sole ground that the party there has not pleaded and established the distinctiveness of the shape of the product asserted to be unique so as to be solely associated with the plaintiff. In fine, the trade dress was not said to be solely unique to the respondents herein so as to claim distinctiveness of the product based on shape and other characteristics. However, learned single Judge, in the impugned

order has held that the respondents have pleaded and have also produced prima facie materials in the form of their products vis-a-vis the products of the appellant as also their market share in the form of statement of accounts and financial reports to substantiate that their reputation and goodwill are being encroached upon by the appellant herein to enrich themselves in the market. In such view of the matter, learned single Judge had granted the interim relief.

18. Though such is the reasoning of the learned single Judge, this Court, for more than one reason, would like to differ with the said reasoning. The Delhi High Court in Dart Industries case (supra) has held that for seeking even prima facie protection in the nature of interim injunction there should be material disclosing that the general public associates the shape in question (which is asserted by the plaintiff as their distinctive mark or get up) only with the plaintiff. Whilst in the case of trade dress in the form of label or mark, distinctiveness is easily discernible, in the case of shape based trade dress, the plaintiff has to necessarily show that the get up of the product or article (over which certain exclusivity or distinctiveness is claimed) has an integral association only with it. In fine, the Delhi High Court has opined that in matters of this nature, the trade dress and the shape are so very exclusive that the general public associates the same only with the prior user, viz., the respondents herein and that the shape and trade dress has become so very integral part of the armour of the respondents herein to come to the inescapable conclusion that the opposite party to the lis is trying to pass off its goods as that of the goods of the aggrieved party. The Delhi High Court, in the said case has held that the required details having not been pleaded and established, the relief sought for cannot be granted.

19. However, before the learned single Judge, as also before this Court, it is the contention of the respondents that they have pleaded and established their case before this Court. Though such a stand with regard to pleading is well accepted, however, the question with regard to establishing hangs over the head of the respondents like the sword of Damocles. Though it is the case of the respondents herein that the shape of the products and the trade dress has become integral part of the whole product, viz., "Tupperware" and that the design of the products, both external and internal, are so very distinctive that the common public associates the same only with the respondents herein and not with any other person, however, such a plea is cannot be countenanced without letting in evidence, which could be adduced only at the time of trial to substantiate their case and, in the absence of the same, grant of interim relief would become questionable.

20. Evidence is the substratum of any civil suit and any relief to be granted can only be based on such evidence and mere pleadings and financial documents would not suffice to grant any relief. The aggrieved party to the lis has to establish that its market share has been usurped by the opposite party by fraudulently using its goodwill and reputation, which the aggrieved party has earned in the market. It is also to be established that the general public have been misled into believing that the product which they have purchased was not the one they had wanted to purchase. Without adducing evidence in this regard, an action for passing off would not be complete, unless and until the mark or the trade dress/getup is a registered one, in which case, the matter would stand on a different footing.

21. Further, as has been held time and again, judicial opinion points out that channels of distribution is recognised as one of the tests in an action for passing off, though not in an action for infringement. The tests laid down by the Supreme Court in Cadila Health Care case (supra), as has been extracted supra, clearly show that the channels of marketing of the products clearly establish that the class of customers to which the products are intended is of significance in deciding the question of passing off.

22. In the case on hand, the class of customers to whom the products are intended is also one of the pivotal point on which an action for passing off needs to be looked into. The Supreme Court in Cadila Health Care case (supra) has stressed that the class of purchasers who are likely to buy the goods bearing the marks along with their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods so also the mode of purchasing the goods or placing orders for the goods are also relevant factors for coming to the conclusion as to the passing off of the said products. Parameters, as pointed out by the Supreme Court needs to be established before an action for passing off is accepted. However, those parameters could be established only at the time of trial by adducing evidence and, passing off in case of an unregistered product, at the initial stage, without there being sufficient materials on record, would definitely stand in the way of this Court in granting relief at the interlocutory stage.

23. It is the case of the respondents that the trade dress has been imitated by the appellant and that the food grade plastic products, viz., "Tupperware", which are within the bag, which is also one of the product said to have been imitated are also identical, which contention has been accepted by the learned single Judge by holding that the reputation of

"Tupperware" has to be injected into the three products and that the products are known by the name "Tupperware" rather than the individual names. In that background, the learned single Judge has held that the reputation and goodwill are to be seen and extended to all the products of the respondents and not to be seen in isolation as the inner product and the outer products get transfused into one lot under the brand name of "Tupperware". However, the said reasoning of the learned single Judge cannot be accepted for the reason that the mark "Tupperware" is not in issue before this Court, rather the trade dress/getup, is in issue and the trade dress is said to be passed off by the appellant herein.

24. Shapes, by themselves, cannot be said to be immune from copying though the same is within the public domain, unless and until they gain exclusivity either by being registered or acquire a distinctiveness that they cannot be associated with any other person than the prior user of such a shape. In the case on hand, the distinctiveness of the shape also needs to be established that it can be associated only with the respondents and the same can be established only by way of a full-fledged trial and not otherwise.

25. Irreparable loss or injury that may be caused monetarily in a given case by usurpation goodwill and reputation could well be taken care of at the time of trial. For safeguarding the same, it is always open to the aggrieved party to seek for relief by putting the opposite party in strict terms and the Court can consider such relief at the appropriate time.

26. Therefore, in any view of the matter, this Court is of the considered view that it would be wholly unsafe to maintain the interim relief granted at this point of time and rather it would be beneficial to both parties to give a quietus to the matter by getting a final disposal on merits so that further litigations could be put an end to. Therefore, this Court feels that a direction in the nature of a request to the learned single Judge to dispose of the suit itself at an early date would be the need of the hour.

27. Accordingly, in view of the foregoing discussions, this appeal is allowed directing the parties to maintain status quo ante. However, it is made clear that the interim injunction already granted by this Court vide order dated 21.10.2016 shall be subject to the result of the suit pending before the learned single Judge. All the contentions are left open to be urged before the learned single Judge. The learned single Judge is requested to take up the suit for final hearing and complete the same within a period of six months. The learned single Judge shall independently deal with the matter without being carried

away/influenced by any of the observations, references and discussions made in this appeal, which are made only for the purpose of disposal of this appeal. Consequently, connected miscellaneous petition is closed. In the circumstances of the case, there shall be no order as to costs.

Sd/-
Assistant Registrar

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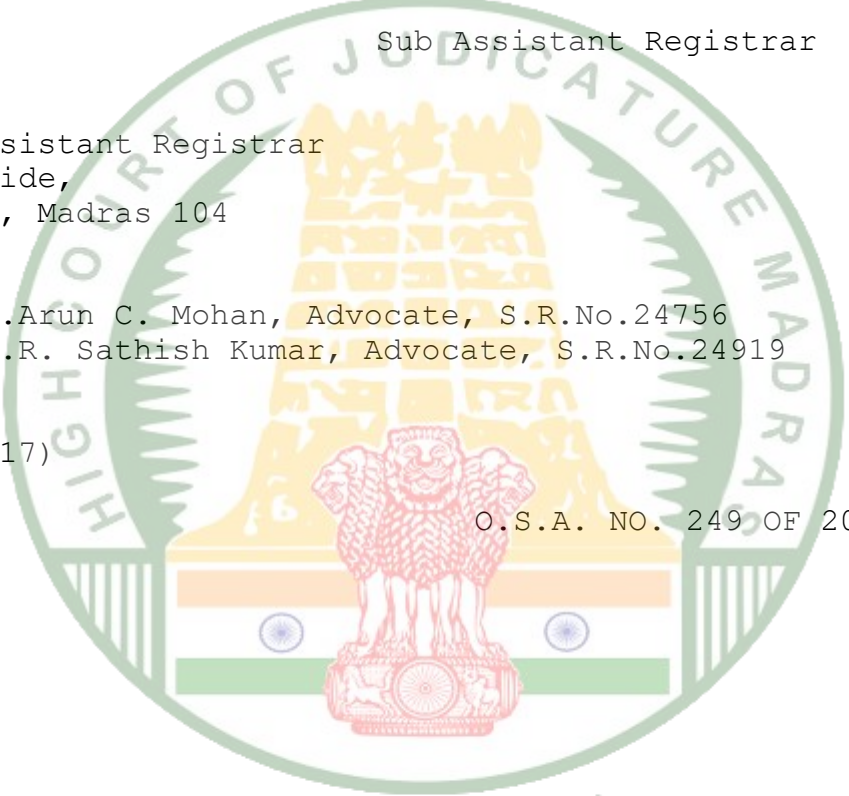
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O.S.A. NO. 249 OF 2016



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