

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Judgment reserved on: 5th August, 2016*

Judgment pronounced on: 6th September, 2016

+ **I.A. No.13750/2010 in CS(OS) No.2101/2010**

SEVEN TOWNS LTD & ANR Plaintiffs
Through Mr.Pritesh Kapur, Adv. with
Ms.Sujata Chaudhri & Mr.Ryan
Wilson, Advs.

versus

M/S KIDDILAND & ANR Defendants
Through Mr.Raj Kumar Mehta, Adv. with
Ms.Himanshi Andley, Adv.
for D-1
Ms.Meenakshi Arora, Sr. Adv.
with Mr.Vasav Anantharaman,
Adv. for D-2.

**CORAM:
HON'BLE MR.JUSTICE MANMOHAN SINGH**

MANMOHAN SINGH, J.

1. The plaintiffs have filed the present suit for permanent injunction, restraining infringement of copyright, passing off, dilution, and various other reliefs against the defendants. Along with the said suit, the plaintiffs have filed the above said application for seeking various interim reliefs against the two defendants namely M/s. Kiddiland and M/s. Cybershop Marketing Pvt. Ltd. The suit along with the said application was listed for the first time before this Court on 8th October, 2010. On 28th October, 2010 this Court passed an ex-parte ad interim order restraining the defendants from using the label, which is similar to or identical with the plaintiff's label or

packaging or offering or displaying for sale the cubes being marketed by the defendants.

2. The defendant No.2 thereafter, had filed FAO (OS) No.692/2010 before the Division Bench of this Court, challenging the order dated 28th October, 2010. The Division Bench by an order dated 8th December, 2010 had clarified the order passed by this Court on 28th October, 2010. The order dated 8th December, 2010 passed by the Division Bench has been reproduced here as under :-

"FAO(OS) No.692/2010 and CM No.22019/2010 (Stay)

The appellant is aggrieved by the impugned order dated 28.10.2010 passed by the learned Single Judge on IA No.13750/2010 filed by the respondents/plaintiffs under Order 39 Rules 1 and 2 of the Code of Civil Procedure, 1908. Learned counsel for the appellant, at the inception itself, fairly states that it would be appropriate that the appellant file their written statement and reply to the stay application so that the interim application can be heard on the date already fixed before the learned Single Judge of 14.01.2011. Similarly, learned counsel for the respondents/plaintiffs states that they would be pressing for a larger injunction when the application is taken up for hearing. Learned counsel for the appellant, however, states that there appears to be some confusion arising from the wording of the injunction granted in terms of order dated 28.10.2010 inasmuch as it restrains the appellant from using the label which is similarly to or identical with the respondents' label or packaging or offering or displaying for sale the cubes in such labels and packaging but the order also seems to suggest, in view of the letter annexed as Annexure A (Colly) starting from page 225, that there is a ban on sale of cubes. Learned counsel for the respondents fairly states that interim injunction already granted on 28.10.2010 is not for sale of cubes though he would press for injunction in that respect on the next date of hearing.

We thus clarify that the injunction order dated 28.10.2010 as it stands today is only in respect of label or

packaging and all other aspects will be urged by the respective parties before the learned Single Judge.

The appeal is accordingly disposed of.

Dasti to learned counsel for the parties.”

3. The plaintiffs thereafter amended its plaint and *inter alia* claimed as under:

"10. Rubik's Cube has a distinctive trade dress which comprises a black border/cage consisting of lines of a particular width along with each of the six faces of the cube covered with nine square stickers with rounded edges, the stickers consist of particular shades of six solid colors namely red, blue, orange, green, white and yellow. Also, the specific size and shape of the Rubik's Cube forms an integral part of the distinctive trade dress. Moreover, the overall impression of the Rubik's Cube including its look and feel is an artistic work within the meaning of Section 2(c) of the Copyright Act, 1957 and the Plaintiffs work is entitled to protection in India also by virtue of the International Copyright Order, 1999.."

10A. The packaging and label inside which Rubik's Cube is sold in India is an integral part of the trade dress of Rubik's Cube. Additionally, as the packaging and label are highly artistic, copyright vests in these under the meaning of Section 14 of the Copyright Act, 1957. The distinctive features of the packaging include the diagonal shape of the box which gives an impression that 3-dimensional triangles are bulging out of the front and the back of the packaging, the indentations on the packaging forming a grid corresponding to the grid on the faces of the Rubik's cube, the transparent nature of the packaging as well as the hook provided on top of the packaging. The distinctive features of the label include the combination of the colours red, blue, green, orange and yellow as well as other artistic features like the distinct comic font with each letter of the mark in a different colour and the placement of the words "Ages 8 to Adult" on the lower left hand corner of the label."

23A The Plaintiffs wish to state that they are not claiming rights behind the Rubik's cube but merely claiming proprietary rights in the expression of that idea as there are a number of different ways in which a puzzle cube can be made and it is not necessary for the Defendant's to use an identical shape and size for the cube nor it is necessary for the Defendants to use identical colours on the stickers or the Identical shape of the stickers or the identical shape of the packaging and a deceptively similar label."

4. In view of the order of the Division Bench, the plaintiffs at present are restricting their claim only pertaining to infringement of legal right in relation to trade dress against the defendants. Thus, the present application would be decided on the basis of the said limited prayer.

THE CASE OF THE PLAINTIFFS AS PER THE PLAINT

5. Brief facts of the case as per the plaintiffs are as under :-

- i) The plaintiff No.1, Seven Towns Ltd. is a company incorporated under the laws of England and is world renowned in connection with the manufacture and distribution of a wide range of leisure products *inter alia* including the world famous Rubik's Cube. Plaintiff No.1 is worldwide the owner of the trademarks RUBIK and RUBIK'S CUBE as well as trade dress in the famous Rubik's Cube. Apart from the trademark rights, the plaintiff No.1 owns copyright in the artwork of the label found on the packaging of the Rubik's Cube as it qualifies as original artistic work entitled to protection under Section 14 of the Copyright Act, 1957. The plaintiff No.1's Rubik's Cube is imported and distributed in India, including in the Capital Territory of New Delhi, through its authorized licensee, namely, plaintiff No.2

- Funskool (India) Ltd., which is a leading manufacturer and distributor of toys and games in India.
- ii) For over 40 years, the plaintiff No.1 has been engaged in the manufacturing and distribution of leisure products *inter alia* toys and games and has introduced more than 320 original games and toys throughout the world for all kinds of age groups. These toys and games are sold under various trademarks, including RUBIK'S CUBE, BOGLINS, JUNIOR MONOPOLY and WEEBLES.
- iii) Plaintiff No.2 was incorporated in the year 1986 and the commercial operations of plaintiff No.2 began in 1988 with the establishment of a factory in Goa with all the requisite machineries and equipments to manufacture high quality toys. To cater to increase in demand, a second factory was set up at Ranipet, about 100 miles from Chennai, in the year 1999. The plaintiff No.2 is a result of the joint venture between the Indian tyre giant MRF and Hasbro Inc., a leading toy company, making it undoubtedly the largest toy company in India. Hasbro is a worldwide leader in children's and family leisure time entertainment products and services, including the design, manufacture and marketing of games and toys ranging from traditional to high-tech products.
- iv) The plaintiff No.2 manufactures and/or distributes goods under license from various toy companies across the world, including licenses from Hasbro Inc., the Walt Disney Company, Viacom International Inc. (Nickelodeon), Warner Bros. Entertainment Inc., Indian Institute of Technology,

Turner International India Pvt Ltd (Cartoon Network) as well as from the plaintiff No.1.

- v) In the year 1974, a first proto type of the working cube was invented by Mr. Erno Rubik (a lecturer in the Department of Interior Design at the Academy of Applied Arts and Crafts) in Budapest, Hungary. Mr. Erno Rubik named this cube as the "Magic Cube" and obtained a patent for the Cube in 1975. It is a puzzle game comprising of twenty six individual little cubes which together make up a single and larger cube. Each layer of nine cubes can twist and the layers can overlap. Any three squares in a row, except diagonally, can join a new layer. In a classic Rubik's Cube each of the six faces is covered by nine stickers, among six solid colors (traditionally white, red, blue, orange, green, and yellow) being distinctive trade dress.
- vi) The first mass production of this Cube started in 1975 by a Hungarian toy manufacturer Politechnika and by the year 1977, the Magic Cube (as it was then called) hit the toy shops of Budapest, Hungary. Without any promotion or publicity, the Magic Cube started to make its way through the hands of fascinated youths into homes, playgrounds and schools and also drew attention of various western world academicians. Embzzled by the mass attention the Magic Cube attracted, Mr. Erno Rubik renamed the game puzzle after his own name from "Magic Cube" to "Rubik's Cube" in 1980. By the end of 1980, Rubik's Cube had gained a sufficient degree of popularity to be seen occasionally in the street, on trams, in cafes, each time in

the hands of someone turning and twisting it, completely absorbed. In the year 1981, inspired by the interesting Rubik's Cube, a publication entitled 'You Can Do the Cube' was produced by Patrick Bossert (a 12 year old schoolboy from England) which sold 1.5 million copies.

- vii) In India, the Rubik's Cube was first sold in 1981 by Ideal Toys Corporation and Matchbox Games. However, both these companies do not exist anymore as on the current date. Plaintiff No.1 licensed the distribution of Rubik's Cube in India to plaintiff No.2 in August, 2007 and the licensing agreement subsists till date. The Rubik's Cube continues to sell extremely well in the country as 44,062 Rubik's Cubes have been sold between the period from April, 2010 to August, 2010 itself.
- viii) The distinctive trade dress of plaintiff No.1 has been accepted for registration as a 3D trademark in the following countries: Australia, Benelux, Canada, China, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, Israel, Italy, Japan, Lithuania, New Zealand, Norway, Portugal, Russia, Singapore, Slovakia, South Korea, Spain, Sweden, Switzerland, Taiwan, United states of America and United Kingdom to name some. Copies of certificates of registrations in some of these countries as well as a list of worldwide registrations have been filed.
- ix) The Rubik's Cube's trade dress, which is inherently distinctive and by virtue of long use, has become synonymous with the plaintiff No.1 and no other party can use this for its toys and puzzles without infringing upon

plaintiff No.1's established rights. The trade dress of the Rubik's Cube is completely distinctive of the plaintiff No.1 and any unauthorized use of the same by any party will result in passing off and blurring of its distinctiveness, and will tarnish the image of the plaintiff No.1.

- x) The plaintiff No.1 has always been very vigilant about protecting its proprietary rights and has filed and won many legal proceedings around the world against those found infringing its marks and copyright including Rubik's Cube, the associated three dimensional device, its trade dress and the copyright subsisting in it. The plaintiff No.1 has from time to time investigated and prosecuted several infringing parties in countries such as Holland, Great Britain and USA and elsewhere. For example, between the years 1980 and 1982, when the demand for the Rubik's Cube greatly exceeded supply, a number of pirated, low quality copies came into the markets which were manufactured by opportunistic traders from Taiwan, Korea and Hong Kong. In order to curb such infringing activities, Ideal Toy, the licensed manufacturer of Rubik's Cube filed lawsuits against such infringers and won a number of lawsuits in Holland, Great Britain, the USA and other countries. The distinctive trade dress of the Rubik's Cube has already been upheld in the context of these cases. Judgments passed by the Courts in Paris, France upholding plaintiff No.1's rights in Rubik's Cube have been filed along with the plaint.
- xi) To identify the source, origin and sponsorship of the plaintiff No.1's Rubik's Cube, the plaintiff No.1 has extensively

employed, caused to be advertised, and publicized certain distinct trade dress elements for its Rubik's Cube. The plaintiff No.1's trademarks and trade dress are also promoted via its website namely www.rubiks.com. This website of the plaintiff No.1 was launched several years ago to facilitate public awareness and serves as a comprehensive guide to its Rubik's Cube. The plaintiff No.1 regularly hosts advertising campaigns warning third parties about misuse of its trademarks and trade dress in Rubik's Cube in order to safeguard and monitor the use of its marks/trade dress. A magazine extract depicting the cautionary notice published by plaintiff Nos. 1 and 2 has been filed along with the plaint. Apart from the publicity generated through the above mentioned activities for the trademarks/dress, the plaintiff No.1 also actively promotes its Rubik's Cube through various print media advertisements, electronic media advertisements, international tours and events and by sponsoring events all over the world.

6. The defendant No.1 is M/s. Kiddiland with its office at Amar Colony, Lajpat Nagar, New Delhi and is engaged in the retail business of toys and games and sells/ offers for sale the products of defendant No.2 through its outlets in New Delhi. Cybershop Marketing Private Ltd, the defendant No.2, is a Company incorporated under the Indian Companies Act, 1956 with an office at MCD No.33, Plot No.728, Jangpura Road, Bhogul, Near Shiv Mandir, New Delhi and another one at Commerce House, 140 Nagindas Road, Fort, Mumbai-400023 and is engaged in the business of

manufacturing, marketing and distribution of toys and games, upon information and belief, within the territory of India.

7. The plaintiffs in support of their claim in respect of trade dress submit that their product which they ostensibly sell as Rancho's Cubes (the "infringing product") as being the plaintiff No.1's Rubik's Cube. It is stated that the defendants' infringing product are identical in every respect and comprises of 36 smaller cubes comprising a larger cube; each layer of nine cubes, as in the plaintiff No.1's product who alleged that the label on the packaging is deceptively similar, including in terms of the colors used and the font, which leaves no room for any distinction between the two. It is alleged by the plaintiffs that defendants are using a deceptively similar trade dress. As a result of such blatant copying, confusion is certain and thus, the defendants conduct constitutes the tortuous act of passing off. The chances of confusion are glaring as stocks of its Rubik's Cubes and that of the plaintiffs products are available on the same shelf and is sold in the same market and consumers are also the same type of children, that they are bound to get misled into thinking that there is some connection between both the parties and they may pick the infringing product confusing it to be originating from the plaintiffs.

8. The plaintiffs submit that the defendants have also copied the original artwork found on the label of the packaging, including the distinctive combination of the colours red, blue, dark green, light green and orange as well as other artistic features like the distinct comic font with each letter of the mark in a different color and the placement of the words "AGES 8 to Adult" on the label. The said deliberate act of the defendant by copying is nothing but an attempt

to free ride on the plaintiff No.1's marks/trade dress and copyright. The use of the trade dress elements of the plaintiff No.1's Rubik's Cube will inevitably create confusion and deception as to the source and origin of defendants' infringing product.

It is submitted that defendant No.2's act of adopting without authorization, the well known trade dress and marks reflects an obvious intention to unfairly benefit from the goodwill and reputation built by plaintiff No.1. Copyright subsists in the artwork of the label found on the packaging which comprises the mark RUBIK'S CUBE in a distinct comic font with each letter of the mark in a different color corresponding to the different colors present on each face of Rubik's Cube and the placement of the words "AGES 8 to Adult on the label. The copying of the artistic features of the plaintiffs' Rubik's Cube's label found on the packaging amounts to infringement of Copyright under Section 51 of the Copyright Act, 1957. The said adoption of the trade dress by the defendant No.2 is not honest as both the parties are in the same industry and packagers and shopkeepers are also the same. The defendants must be aware of the plaintiff No.1's reputation in the trade dress. Thus, the plaintiffs are entitled to relief against the defendants from using the similar trade dress.

WRITTEN STATEMENT OF THE DEFENDANTS

9. Both the defendants have filed their separate written statements. The main defences are raised by defendant No.2. The defendants have also restricted their arguments on the issue of trade dress only.

10. The defendant No.1 is a retailer who has retail outlet shop in Delhi of various kinds of toys of different manufacturer has denied all

the averments made in the plaint and in the injunction application. It is denied by the defendant No.2 that the trade dress of the plaintiff's product is distinctive and is well recognized in India and the same has acquired goodwill in the Indian market. It is also denied that the Rubik's Cube owing to its superior quality and excellence has gained any sort of exclusivity over the trade dress of its product.

11. It is submitted by the defendants that if the trade dress of the plaintiffs' product itself is not distinctive and is not recognized then issuance of any such cautionary notice in the said respect has no relevance whatsoever. The defendants have also invested substantial amounts of monies for advertising their own products. It is denied that the packaging of the plaintiff's product and the defendants' product is deceptively similar in terms of colour and font used. It is submitted that the trade dress of the plaintiffs' product and the defendants' product is different. The product (Rancho's Cube) manufactured by the defendant No.2 by no stretch of imagination can it be said that the trade dress of the defendant No.2's product is deceptively similar to the trade dress of the plaintiffs' product.

12. The defendants in order to show differences in two rival products of the parties in the trade dress/packaging have provided the details in the chart below:-

	Plaintiffs' product	Defendant No.2's product
Front side top list	Funskool is displayed in white colour font with a complete red colour base	Cybershop is displayed in white colour font with multi colour base
Front side	Rubik's is mentioned in various	Rancho is mentioned

appearance	colours in same font in a straight line and the word cube is mentioned in a small font.	in small font and cubes is mentioned in various colours and various different fonts in a curved shape
	The alphabets in the words "Rubik's Cube" on the plastic cover have been raised	The words Rancho's cube on the plastic cover are not raised and are plain and flat
The colour of cube used	Various colours are used by the Plaintiffs which are dissimilar to the colours used by the Defendant No.2 in its cube	Various different colours are used by the Defendant No.2 which are dissimilar to the colours used by the Plaintiffs in their cube
Back side	On the right hand side "www.rubik.com" is mentioned	On the right hand side a cube is shown
On the back side left corner	The licensing condition of the owner is mentioned	The description of the product and the pricing is mentioned
Bottom side	The details of the product, its pricing etc. is mentioned	Only Cybershop is written in the middle of the centre small cube

13. It is denied by them that the defendant No.2 is using a deceptively similar trade dress and/or is copying the product of the plaintiffs which action constitutes the act of passing off as alleged by the plaintiff. The defendant No.2 submits that the puzzle in terms of the cubes is sold by it in the market and the consumers would not be confused or misled while purchasing any of the two products in view of the aforesaid distinct dissimilarities prevailing in the said two products.

It is submitted that the trade dress of the defendant No.2's product is different. Thus, the same does not amount to infringement of the copyright under the provisions of Section 51 of the Copyrights Act, 1957 as claimed by the plaintiff No.1.

14. It is mentioned that the units sold by the defendant No.2 of its products are approximately double the units sold by the plaintiffs of their products. The defendant No.2 has sold approximately 80,000 units in the last 9 months. It shows that the quality of the defendant No.2's product are far more superior to the quality of product of the plaintiffs and the pricing of the same is also much to the advantage of the defendant No.2 since its product is being manufactured and sold at a price less than half of that of the plaintiffs as the price of product of the defendant No.2 is Rs.129/- per unit as against the price of Rs.275/- per unit of the plaintiffs' product. Therefore, the plaintiffs do not wish that the defendants' business should continue. The defendant No.2 manufactures its goods in India whereas the plaintiff's product is manufactured in China and imported in India. The plaintiffs have only used different base colours in its product and the same cannot be said to be distinctive. Mere use of different base colours which in any event are limited in number cannot be said to be distinctive unless some exclusivity or distinctiveness is shown in respect of the colours being used by the plaintiffs on their products.

15. It is submitted that the trade dress of the plaintiffs' product is not a well known mark and plaintiff No.1's product fails to qualify the tests of the provisions of Section 11(6) and Section 2(1)(zg) of the Trade Marks Act, 1999. It is submitted that the plaintiffs have failed to produce any document to show that their product was widely recognized in India.

16. In replication, the plaintiffs have denied the contents of the written statement and stated that all the defences raised are baseless and misconceived. The trademark registrations in other countries would show that the trade dress of the Rubik's Cube enjoys statutory protection, recognition and popularity in a significant number of countries worldwide. The goodwill and reputation as part of products of plaintiff No.1 in India and its recognition and popularity has seeped into India on account of trans-border reputation. It is denied that the plaintiffs have not produced any document to show that the Rubik's Cube has acquired a distinct reputation.

17. It is reiterated that the plaintiffs do not claim any right over any functional elements of the Rubik's Cube, i.e. the geometrical shape of Cube. The plaintiffs simply claim rights in and to the trade dress of the Rubik's Cube which includes the colour combination used and cage consisting of lines of a particular width. Therefore, if the defendant No.2 is allowed to continue to copy these essential features in its product, it would lead to confusion and deception in the minds of the consuming public.

18. It is submitted that the plaintiff No.2 has been licensed to distribute Rubik's Cube in India since August 2007. Prior to that also the Rubik's Cube had been selling in India since 1980 through other licensees and distributors. The plaintiffs have provided sales figure spanning over five months and on the other hand, the defendant No.2 has provided sales figures spanning over 9 months. Therefore, the sale of the plaintiffs' Rubik's Cube is more than the sales of the defendant No.2's cube. Even otherwise, it is argued by the learned counsel for the plaintiffs that if a party who is infringing the product

and has sold more products than the genuine party, it does not mean that the party who has appropriated rights of rightful party has better rights. It is further submitted that the pricing of the defendant No.2's cube shows that their cost of production is lower on account of cheaper and low quality raw materials used and the cube of the defendant No.2 is of low quality. The fact that the defendant No.2's product is cheaper than the plaintiffs' product will only result in injury to the plaintiffs' reputation as the products are not of similar quality. The submission made by defendant No.2 that the plaintiffs products are manufactured in China while its products are manufactured in India or price factor, is of no relevance.

19. It is reiterated that the defendant No.2 has used an identical combination of colours which directly infringes the trade dress of the plaintiffs. There are a number of ways in which a puzzle cube can be made. There are a number of combinations of colours that can be used in relation to it. In fact, a cube can be expressed in ways other than by use of colors. Instead of requiring a person to match six different colours, a puzzle cube can require a person to match six different numbers, shapes, fruits, vegetables etc. (for instance, instead of having to match nine squares that have a particular colour and combination thereto for e.g. the colour green, the cube can be made to match nine squares that have a particular fruit, for e.g. a banana or a geometrical shape, for e.g. a triangle). It is stated that the use of an identical combination of colours by defendant No.2 shows its bad faith and its malafide intention to free ride on the goodwill created by the plaintiffs in the Rubik's Cube. The combination of colours used by the plaintiffs in its product Rubik's Cube has become distinctive of the plaintiffs cubes.

It is denied in the replication that the trade dress of the plaintiffs' Rubik's Cube is not a well known mark and fails to qualify the tests of the provisions of Section 11 (6) and Section 2(1)(zg) of the Trade Marks Act, 1999. In this regard, the contents of paragraph 30 of the plaint are reiterated. It is submitted that the fact that the defendant No.2 has used the identical colour combination itself shows malafide intention. A mere combination of colours has been recognized as a valid trade dress by various courts in India. If a combination of 6 different colours is used and this combination becomes distinctive of the product on which it is used and becomes an indicator of source, then no other person should be allowed to use the same combination of colours to try to pass off its goods as those of another and subsequently free ride on the goodwill of another. It is denied that the plaintiffs have only sold goods outside India and it is submitted that the plaintiffs' Rubik's Cube has in fact been sold in India since 1980. It is denied that the plaintiffs have failed to produce any evidence regarding their goodwill in India and in this regard, the plaintiffs' lay great emphasis and reliance on the documentation filed along with the plaint. It is denied that the number of products sold by the defendant No.2 is higher than that sold by the plaintiffs. While the plaintiffs have provided a sales figure for 5 months, the defendant No.2 has submitted sales figures for 9 months. This is a possible attempt to mislead the court into believing that it is selling more than the plaintiffs. In principle, the sale of the plaintiffs' Rubik's Cube is higher than the sales of the defendant No.2's product. It is further submitted that the plaintiff No.1 does enjoy trans-border reputation and in this regard, the

contents of paragraph 30 of the plaint as well as the documentation filed along with the plaint have been reiterated.

20. It is submitted by the plaintiffs that the copyright subsists in the highly distinct label found on the packaging of Rubik's Cube which is original and artistic in nature which comprises of artistic features like the placement of the mark in a distinct comic font with each letter of the mark in a different color corresponding to the different colors present on each face of Rubik's Cube and the placement of the words "AGES 8 to Adult". The trade dress of the Rubik's Cube qualifies as an arbitrary trade dress and merits the highest degree of protection under Trademarks Law. The defendants are using an identical trade dress on identical goods and this completely attacks the common law rights of the plaintiff No.1. Since the trade dress used by the plaintiff No.1 and the defendants are identical and their products are also identical, there is apparent harm to the original trade dress proprietor namely the plaintiff No.1. By copying the trade dress, the defendants are trying to create an impression of association with the plaintiff No.1. The use of an identical trade dress in relation to identical services is a misrepresentation in the course of trade to customers that the goods of the defendants are that of the plaintiff No.1 or are connected with the plaintiffs. Such an act on part of the defendants amounts to passing off and is completely unlawful. Such unlawful act of continuing misrepresentation also amounts to unfair competition as it creates a likelihood of confusion, mistake and deception as to the source of the cubes and creates a mistaken association between the plaintiffs and the defendants. The fact that some retailers refer to Rancho's Cubes as Rubik's Cubes and that some of the invoices for

the sale of Ranchos Cubes have "R Cube" printed on them which shows prima facie evidence of downright confusion in the minds of the retailers.

21. It is stated in the plaint that if the defendants are allowed to use the said trade dress in this manner it will completely dilute the brand equity of the plaintiffs and tarnish the high reputation they command amongst their customers. It is submitted the trade dress of the plaintiff No.1 is distinctive and the intentional and subsequent use by the defendants dilutes this distinctiveness. Due to its worldwide, long and continuous use, the plaintiff No.1's trade/brand name RUBIK, the 3 dimensional trademark and trade dress have all acquired the status of a well known trademarks under Section 2 (l)(zg) of the Trade Marks Act, 1999 and Article 6bis of the Paris Convention.

22. Ms.Meenakshi Arora, learned Senior counsel for the defendant in support of her submission has referred the various paras of the pleadings of the parties and have also referred the following decisions:

i) ***L'Oreal India Pvt. Ltd. v. Henkel Marketing India Ltd.***

(2005) 6 Bom CR 77, it was held as under:-

"16... 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."

- ii) A Division Bench of this Court, in **Kellogg Company v. Pravin Kumar Bhadabhai**, (1996) 16 PTC 187, has *inter alia* held as under:-

"20. Thus, the above case also lays down that the trade dress or rather the whole must be seen in its entirety and not parts in isolation"

- iii) A Division Bench of this Court, in **Fritco-Lay India v. Uncle Chipps Pvt. Ltd.**, (2000) 86 DLT 31, *inter-alia* has held as under:-

"33. Law relating to similarity in trade-dress is now well settled. The Privy Council, in Cadbury-Schwepper Pvt. Ltd. v. The Pub-Squash Co. Ltd., 1981 RPC 429 upheld judgment of Powell J. of the Supreme Court of New South Wales. In that case, the plaintiffs were selling lemon squash under the name 'Sole' in greenish-yellow cans with a medallion type label. The defendants launched a lemon squash called 'Pub Squash' and the label was of medallion type bearing the words 'Pub Squash' on it. The cans were of the same size and shape and colour as those of the plaintiff. The plaintiff brought the proceedings on the ground of passing off, unfair trade practice etc. The same was dismissed. It was held that the defendants had sufficiently differentiated their product by their 'name'. On appeal to the Privy Council, it was observed that over emphasize on advertised description of a product might indeed lead to stifling of competition. It was held:

But competition must remain free, and competition is safeguarded by the necessity for the plaintiff to prove that he has built up an 'intangible property right' in the advertised description of his product, or, in other words, that he has succeeded by such methods in giving his product a distinctive character accepted by the market. A defendant, however, does no wrong by entering a market created by another and there competing with its creator. The line may be difficult

to draw; but, unless it is drawn, competition will be stifled."

- iv) In ***Hodgkinson & Corby Limited and Another v. Wards Mobility Services Limited***, [1995] FSR 169, at Page 175, Jacob, J. observed as under:-

"At the heart of passing off lies deception or its likelihood, deception of the ultimate consumer in particular. Over the years passing off has developed from the classic case of the defendant selling his goods as and for those of the plaintiff to cover other kinds of deception, e.g that the defendant's goods are the same as those of the plaintiff when they are not, e.g Combe International Ltd. v. Scholl (U.K) Ltd. [1980] R.P.C 1; or that the defendant's goods are the same as goods sold by a class of persons of which the plaintiff is a member when they are not, e.g Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd. [1979] A.C 731 (the Advocate case). Never has the tort shown even a slight tendency to stray beyond cases of deception. Were it to do so it would enter the field of honest competition, declared unlawful for some reason other than deceptiveness. Why there should be any such reason I cannot imagine. It would serve only to stifle competition." (Emphasis supplied)

23. By referring the above said decisions, learned Senior counsel for the defendants submits that the label on the packaging of the product of defendant No.2 is artistically different and distinct from the label on the packaging of the product of the plaintiffs and it is a well settled proposition that similarity in trade dress (i.e. packaging and labelling) is to be adjudged on the overall look and not individual elements. It is submitted that the overall look of the packaging and labelling used by the plaintiffs and defendant No.2 are entirely different and discernable to the naked eye.

It is also argued by the counsel for the defendants that by virtue of Section 15(2) of the Copyright Act, 1957, copyright in any unregistered design capable of being registered ceases to exist after any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his license, by any other person. The same was reiterated by this Court in **Microfibres Inc. v. Girdhar and Co.**, (2006) 128 DLT 238. Thus, the purported copyright infringement claimed by the plaintiff in its 'artistic work' is misplaced.

24. It is also argued that there could not be monopoly/exclusivity to be claimed on a single colour, as the plaintiffs' claim over the exclusive right to use the colours Red, Blue, Green, Yellow, White and Orange, as well as the Black cage/grid is misplaced. Firstly, the colours sought to be monopolized are primary colours and not distinct colours which the plaintiffs have created using any creative or artistic input. Allowing the plaintiffs to do so would deprive any other person from using all 7 primary colours. Secondly, it has been held on multiple occasions that no monopoly can be granted over a particular colour and protection may be afforded to a specific/particular combination of colours or a colour when combined with definite arbitrary symbol or design.

25. Reliance is placed on the case of **Colgate-Palmolive Company Limited & Anr. v. Patel and Anr**, 2005 (31) PTC 583 wherein this Court extensively dealt with the issue of monopoly in colours. At Para 42 of the said judgment, this Court held as under:-

"42. The above texts and the colour diagrammes also indicate that the exclusivity and monopoly of a colour and a

colour scheme is not favoured. Not only in the red colour one of the seven primary colours but it along with white and black colours has in fact been described as one of the three basic colours in nature. Furthermore, even though the colour combination of the registered mark indicates red and white, in essence the carton of the plaintiffs for which registration has been granted is entirely in red except the logo in the form of the word 'COLGATE' and other small ancillary words such as the price, quality etc which are printed in white. It is this placement of small print in white containing the word 'COLGATE' in a small area placed on the back ground in red which contributes to the commercial impact of the plaintiffs carton in the market place and indeed gives exclusivity and distinctiveness to the plaintiffs mark. Thus, the mark COLGATE in white on a red background highlights the plaintiffs product and gives a distinct identity to the combination, and such a combine is certainly entitled to protection from not only passing off but infringement too. However, I am also of the view that the red and white colour combination per se without the word/mark 'COLGATE' is not entitled to protection from infringement.” (Emphasis supplied)

It is submitted by her that the combination of colours used by the defendant No.2 on its product Rancho Cube are not identical to those combination of colours used by the plaintiffs on its Rubik's Cube. Thus, the plaintiffs' claim for the exclusive right to use the colours Red, Blue, Green, Orange, Yellow, White and Black is untenable.

26. It is canvassed by her that the puzzle cube is a toy/game and is essentially a memory and problem-solving exercise which requires a person to twist the parts of the cube with a view to the align the 6 different colours exclusively on each side of the cube. The primary colours of Red, Blue, Green, Yellow, White and Black provide the ultimate contrast of hue and the greatest luminosity, thereby being optimal for the purposes of the present puzzle cube, promoting

memory retention. The use of the colour Black for the cage of the puzzle cube and acting as the base of each square face/tile of the cube provides the greatest contrast to whatever other colour is put before it, more specifically, the primary colours of Red, Blue, Green, White, Yellow and Orange. Thus, the said colours being a functional element of the puzzle cube, cannot be monopolized by virtue of a trade dress.

27. It is also argued that the customers of the impugned products are not moved to buy by source. The defendants have referred the case of **Hodgkinson & Corby Limited** (supra) wherein it was held as under:-

"Now the ingredients of passing off are the "classical trinity" (per Nourse LJ in *Consorzio del Prosciutto di Parma v. Marks & Spencer Pic.* [1991] R.P.C351. 368), namely (1) goodwill of the plaintiff (2) misrepresentation by the defendant, (3) consequent damage. The plaintiff's problem of proof when there is no manifest badge of trade origin such as a trade mark becomes hard. This is so in the case of descriptive or semi-descriptive words such as "camel hair." It is perhaps even more so where one is concerned simply with the appearance of the article with no self-evident trade origin frill or embellishment. For people are likely to buy the article because of what it is, not in reliance on any belief of any particular trade origin. This is so whether they buy it for its eye-appeal (e.g glass dogs) or for what it does (e.g the copy Rubik cube of *Politechnika Ipari Szovetkezet v. Dallas Print Transfers Ltd.* [1982] F.S.R 529).

The plaintiff's problem of proof lies in relation to the first two items of the trinity, which are related. It is not good enough for him to show that his article is widely recognised —has a "reputation" in that general sense. The "Louis furniture" in *Jarman & Blatt Ltd. v. Barget*

Ltd. [1977] F.S.R 260 had virtually "captured the market" but that did not:

"begin to prove that a substantial number of the members of the public who buy those goods do so because they know of, or have any interest in, the particular source of the goods; or that they are attracted to buy those goods because of their knowledge or belief that they emanate from a particular source a particular maker." Per Megaw L.J, at p. 273.

Exactly the same thought is so clearly expressed by Learned Hand J. in *Crescent Tool Co. v. Kilborn & Bishop Co.* (1917) 247 F. 290, a case about an adjustable wrench widely sold and trademarked "Crescent." He said, after finding that no adjustable wrench of precisely the same character had ever appeared upon the market, at pp. 300-301:

"All of these - i.e cases where a secondary meaning has been shown - presuppose that the appearance of the article like its descriptive title in the cases of 'secondary' meaning, has become associated in the public mind with the first comer as manufacturer or source, and, if a second comer imitates the article exactly, that the public will believe his goods to have come from the first, and will buy, in part, at least, because of that deception. Therefore it is apparent that it is an absolute condition to any relief whatever that the plaintiff in such cases show that the appearance of his wares has in fact come to mean that some particular person — the plaintiff may not be individually known — makes them, and the public cares who does make them, and not merely for their appearance and structure. It will not be enough only to show how pleasing they are, because all the features of beauty or utility which commend them to the public are by hypothesis already in the public domain The critical question of fact at the outset always is whether the public is moved in any degree to buy the article because of its source and what are the features by which it distinguishes that source. Unless the plaintiff

can answer this question he can take no step forward; no degree of imitation of detail is actionable in its absence It is not enough to show that the wrench became popular under the name 'Crescent;' the plaintiff must prove that before 1910 the public had already established the habit of buying it, not solely because they wanted that kind of wrench, but because they also wanted a Crescent, and thought that all such wrenches were Crescents."

I believe that exactly encapsulates what must be shown when the plaintiff is complaining, in a passing off action, about a copy of his product as such, is the public "moved to buy by source".

28. It is alleged by the counsel that the impugned puzzle cube is sold under the name "Rubik Cube" by the plaintiffs and "Rancho Cube" by the defendant No.2 was originally developed by Mr. Erno Rubik under the name "Magic Cube" and obtained a patent for the Cube in 1975. The patent in the said 'Magic Cube' (later re-named as 'Rubik's Cube' by Ideal Toy Corporation in 1980) has indisputably expired. Thus, the said 3x3x3 puzzle cube with its shape, size, form and configuration is in public domain. However, the very fact that multiple other brands successfully sold the said puzzle cube, under a variety of different names, shows that the average consumer is not moved to buy by source for the impugned puzzle cube [as laid down in **Hodgkinson's** case, (supra)].

While admittedly the impugned puzzle cube is popularly known as Rubik's Cube', however, the same is not a necessary reference to the plaintiffs' product, but a generic reference to the 3x3x3 Puzzle Cube which the parties both manufacture and sell, along with various other manufacturers and sellers in the market. A similar phenomenon is experienced while buying packaged bottled water,

which is popularly known as 'Bisleri', as being the first name in the field. However, 'Bisleri', over the time has become merely the generic name used by customers as a substitute for 'packaged drinking water', which is also sold by a variety of other brands such as Aquafina, Kinley, Himalaya, Bailleys. There is no 'confusion as to source even if a customer is given 'Aquafina' or 'Kinley' or any other packaged drinking water. Another such example would be the word 'Xerox' having per se become synonymous with the photocopying and photocopying machines.

It is submitted that in the present case, the defendant No.2 has a distinct packaging on its puzzle cube, sells the same with the commercial/market name 'Rancho Cube', as opposed to 'Rubik's Cube', and the same are sold at different rates. The success of the defendant No.2's cube is solely because it is a product of superior quality, similar functionality at a cheaper price, and the defendant No.2 is in no way 'passing off its puzzle cube as being of the plaintiffs.

29. It is argued by Mr.Pritesh Kapur, learned counsel for the plaintiffs that by virtue of user of over 40 years prior to filing of the present suit as well as sale of over 350 million cubes until filing of the suit, the plaintiffs has over the years acquired immense reputation and goodwill in its trade dress and get up. In case of acquired distinctiveness of trade dress by virtue of long and extensive user, a deceptive imitation or even a close resemblance is likely to cause confusion/association in the minds of consumers - in this case parents of school going kids or school going kids. The trade dress of the plaintiffs' Rubik's cube has been recognized as being distinctive and as being associated in the minds of the public with

the plaintiffs, by courts in various jurisdictions, including in the United States. In the plaintiff's own case (predecessor-in-interest), titled ***Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*** 685 F.2d 78 (1982) the United States Court of Appeals, Third Circuit, accepted that the trade dress of the plaintiffs' Rubik's Cube {described in para 34 therein} had, by virtue of user {at that time only a couple of years}, acquired distinctiveness and "*served no purpose other than identification*" of the source. It was further held that "*although the fact of copying itself is persuasive evidence of secondary meaning*", the facts as established, including sales of over 5 million cubes, showed that the trade dress had acquired secondary meaning and that the public associated the appearance of the cube with the plaintiffs only.

Mr.Kapur submits that there are many other 3-D cubic puzzles of the same kind in the market which have a completely different trade dress and use different color combinations/stickers. In the present cube also, if the defendant No.2 wishes to have the trade dress in that manner, the plaintiffs may not be having any objection to the combinations of various colours/ stickers/grid that could have been depicted on the faces of the cube, but the defendants have deliberately chosen a get up which is similar or closely resembles to that of the plaintiffs. As held by the Supreme Court an injunction must necessarily follow "*if it prima facie appears that the adoption of the mark was itself dishonest*". It was again reiterated in ***Heinz Italia v. Dabur India Ltd.***, (2007) 6 SCC 1 that "*if it can be prima facie shown that there was a dishonest intention on the part of the defendant in passing off goods, an injunction should ordinarily follow.*"

30. He argued that the overall look and trade dress of the Rubik's cube has become associated with the plaintiff by user of over 40 years prior to filing of the present suit as well as sale of over 350 million cubes as at the time of filing of the suit. Thus, the plaintiffs have over the years acquired immense reputation and goodwill in its trade dress and get up.

He submits that it is thus clear that a deliberate attempt by the defendants to ensure that their trade dress closely resembles the trade dress of the plaintiffs, when there was absolutely no necessity for doing so, shows dishonest adoption which is evidently calculated to deceive and convey to the consumer that the goods emanate from the plaintiffs or that there is some sort of an association with the plaintiffs.

31. After passing the order by the Division Bench, the plaintiffs have restricted their claim only with regard to trade dress on the basis of alleged rights acquired under the law of passing off and infringement of copyright. As far as the rights claimed under the Copyright Act, I am of the view that the plaintiffs have to prove the same at the time of trial in view of defence raised by the defendants. However, at this stage, I am inclined to decide the injunction application on the basis of distinct rights claimed under the law of passing off which do not depend upon the Design Act and Copyright law and is thus available.

32. Even the Full Bench, in its majority ruling in ***Microlube India Ltd. v. Rakesh Kumar Trading as Saurabh*** (2013) 198 PTC 120 declared that regardless of subsistence of design right or its exhaustion, a passing off action can lie, in given cases.

33. In the light of above referred law and facts and circumstances of the present case, it is to be decided as to whether the defendants are passing off their goods as that of the plaintiffs or not.

The test of confusion and deception in order to prove the case of passing off has been very well discussed in the case of **Laxmikant V. Patel v. Chetanbhat Shah and Another**, reported in (2002) 3 SCC 65, wherein the Supreme Court while considering a plea of passing off and grant of ad interim injunction held in no uncertain terms that a person may sell his goods or deliver his services under a trading name or style which, with the passage of time, may acquire a reputation or goodwill and may become a property to be protected by the Courts. It was held that a competitor initiating sale of goods or services in the same name or by imitating that name causes injury to the business of one who has the property in that name. It was held that honesty and fair play are and ought to be the basic policy in the world of business and when a person adopts or intends to adopt a name which already belongs to someone else, it results in confusion and has the propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

It was also held that the principles which apply to trademark are applicable to trade name also. Para 10 of the aforesaid judgment reads as under:-

“The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that his goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the

basic policies in the world of business. Secondly, 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 someone else to himself and thereby resulting in injury.”

In this case, it was further observed that:

“Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.”

34. In passing off, undoubtedly trade dress and get up of the packaging, presentation of the product through label, etc constitute essential components of the goodwill and reputation of a commercial enterprise. The case of **William Grant & Sons Ltd v McDowell & Co Ltd** (1994) 55 DLT 80 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 plaintiffs. Whilst in the case of trade dress in the form of label or mark, distinctiveness is easily discernable in the case of shape based trade dress, the plaintiffs have to necessarily show that the get up of the product or article 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 plaintiffs has not been so pleaded and established.

35. In the case of **William Edge & Sons Limited v. William Niccolls & Sons Limited**, reported in (1911) AC 693 at 709 while discussing the similar issue, it was observed as under:

"...I agree that the get-up of the plaintiffs' bags was of such a simple and elementary character that it was perhaps the cheapest form possible, and any differentiation might possibly have involved some expense, but differentiation within reasonable and economical limits was undoubtedly possible and was omitted because the defendants said they were entitled to take, and certainly meant to take, and did take, the design as it stood.

However, they urge that they put their name on the labels stuck on the bags, and so differentiated their goods from those of the plaintiffs by the most direct and conclusive of all methods. In fact, the attachment of their name to the plaintiffs' design or get-up amounted, in the circumstances of this case, to a deliberate appropriation of that get-up as their own. The bags of the plaintiffs had been unnamed. They were sold on their appearance or get-up alone, so when the name of the defendants was put on them, with an intimation that the design, by which the public were accustomed to identify them, was their property and an indication of their goods, customers would naturally suppose that, in buying them, they were getting the same goods as they had previously bought in the unnamed bags. Instead of differentiating their goods from those of the plaintiffs the name of the bags had the effect of making the customers believe that they were the same people as the plaintiffs."

36. This Court in the case of **M/s Anglo-Dutch Paint Color and Varnish Works Pvt. Ltd v. M/s India Trading House**, AIR 1977 Delhi 41 (paras 11 and 12) held as under:

"11. As to the extent and scope of the work "mark" as defined in Section 2(j) of the Trade and Merchandise Marks Act, 1958, the observations of Graham, J. in *Smith, Kline & French Laboratories Limited's Trade Mark* : (1974) R.P.C. 91(3) at page 95 may be seen.....

.....It was so in the Hoffmann-La Roche Chlordiazepoxide case, (1972) R.P.C. 1 (4).At page 99 of the same judgment it was observed by Graham, J. as under:

"I cannot see why other manufacturers should want to adopt the applicants' colour arrangements here except for the improper motive of trying to benefit from the latter's established goodwill."

In this judgment, Garham, J. relied on the observations of Harman Lord Justice in the Court of Appeal in the case of F. Hoffmann-La Roche & Company A. G. and Another v. D.D.S.A. Pharmaceuticals Limited: (1972) R.P.C. 1(4). It is worthwhile to quote the words of Harman Lord Justice at page 20:

"Goods of a particular get-up just as much proclaim their origin as if they had a particular name attached to them, and it is well known that when goods are sold with a particular get-up for long enough to be recognised by the public as goods of a particular manufacturer it does not matter whether you know who the manufacturer is."

12. As stated earlier, instead of receiving any satisfactory answer, I received no answer from the defendants to the plain question as to why they wished to mark their goods in violet grey and white. The only answer which I could suggest to myself was that they have adopted the colour-scheme in order to attract to themselves some part of plaintiff's good-will and trade on their reputation and in fact to represent to public that their goods are the goods of the plaintiff. This is exactly a classic case of 'passing off'."

37. In the case of ***Ideal Toy Corporation*** (supra) while passing the order has acknowledged the color combinations of the plaintiffs' cube itself at page No.6 of the order and held as under:

"ORDERED, that for the purpose of this preliminary injunction only and without intending that this be a final adjudication, the plaintiff's trade dress is described as cubes, each cube face made up of nine small cube facts that have specific monochromatic colors and a dark grid background; the grid pattern is formed by applying

substantially rectangular patches of the monochromatic colors of red, blue, green, yellow, orange, and white to individual small cubes, the size of the color patches being sufficiently smaller than the faces of the small cubes to permit the display of a dark grid background, the cubes are packaged in a transparent plastic container on a black base. The trade dress is shown in EXHIBIT 2 of this order."

38. Again the House of Lords in the case of **Reckitt & Colman Products Ltd. v. Borden Inc. & Ors.**, reported in 1990 R.P.C. 341 at page Nos.414 to 416, 422, 426 in a passing off matter about get-up observed as under:

"...In the end, the question comes down not to whether the respondents are entitled to a monopoly in the sale of lemon-juice in natural size lemon-shaped containers but whether the appellants, in deliberately adopting, out of all the many possible shapes of container, a container having the most immediately striking feature of the respondents' get-up, have taken sufficient steps to distinguish their product from that of the respondents. As Romer L.J. observed in *Payton & Co. Ltd. v. Snelling, Lampard & Co. Ltd.*, (1900) 17 R.P.C. 48, 36:

"when one person has used certain leading features, though common to the trade, if another person is going to put goods on the market, having the same leading features, he should take extra care by the distinguishing features he is going to put on his goods, to see that the goods can be really distinguished ..."

.....But, of course, statements such as this are made in the context of the particular facts under consideration. They cannot be treated as establishing a principle of law that there must always be assumed a literate and careful customer. The essence of the action for passing off is a deceit practiced upon the public and it can be no answer, in a case where it is demonstrable that the public has been or will be deceived, that they would not have been if they had been more careful, more literate or more perspicacious. Customers have to be taken as they are found. As Lord

Blackburn observed in *R. Johnston & Co. v. Archibald Orr Ewing & Co.* (1882) 7 App.Cas. 219, 229:

"If the plaintiffs had proved that purchasers had actually been deceived by the use of the mark B and that the defendants after being told of this had persisted in using this mark B, the plaintiffs would surely have been entitled to an injunction to prevent the continued use of B; and it could be no answer that the purchasers, so deceived, were incautious; the loss to the plaintiffs of the custom of an incautious purchaser is as great a damage as the loss of that of a cautious one."

.....It is pointed out that recent decisions of this House in, for instance, *British Leyland Motor Corporation Ltd. v. Armstrong Patents Co. Ltd.* [1986] A.C. 377 and *In re Coca Cola Co.* [1986] 1 W.L.R. 693 have stressed the suspicion with which this House regards any attempt to extend or perpetuate a monopoly and it is suggested again that, because it is not easy in the circumstances of this market effectively to distinguish the appellants' products for the respondents' except at considerable expense, the respondents are achieving, in effect, a perpetual monopoly in the sale of lemon juice in lemon-shaped squeeze packs. I do not accept at all that this is so, but in any event the principle that no man is entitled to steal another's trade by deceit is one of at least equal importance. The facts as found here establish that, unless the injunction is continued, that is what the appellants will be doing and it is not necessary for them to do so in order to establish their own competing business for there is nothing in the nature of the product sold which inherently requires it to be sold in the particular format which the appellants have chosen to adopt. I would dismiss the appeal.

LORD JAUNCEY OF TULLICHETTLE:

This is an appeal in a passing off action relating to plastic lemons containing lemon juice. The relevant facts are fully set out in the speech of my noble and learned friend, Lord Oliver of Aylmerton, and I gratefully adopt his account thereof which absolves me from the necessity of condescending upon the background to this appeal. I propose to start by examining the nature of a passing off action.

.....(2) Monopoly assumption invalidates evidence. My Lords, if I had been asked to express my views on this matter without the aid of able argument and copious citation of authority but guided by common sense, I should have stated the following propositions:

(1) Where a trader has established a reputation for his goods in the market and where those goods are identified by a particular get-up which is peculiar to him, the public are likely to be motivated by his de facto monopoly in get-up to purchase the goods.

(2) If another trader seeks to imitate the get-up which the first trader uses, a successful passing-off action at the instance of the latter will necessarily recognise his de facto monopoly in that get-up.

(3) Where trader A enters the market to compete with trader B whose goods have acquired a reputation and are identified by a particular get-up it will be a question of degree to what extent trader A must differentiate his get-up from that of trader B in order to avoid deception. If B's goods have been in the market for a relatively short time with a get-up which is not particularly distinctive, the steps required to differentiate may not be very substantial. If, on the other hand, those goods have been in the market for a long time with a particularly distinctive get-up then A, seeking to market his goods with a similar get-up, will require to take far more drastic steps to inform the public that his goods are not those of B, since the public, having long become used to such a get-up as identifying the goods of B, are likely to be less mindful of differences in detail.

(4) If the monopoly assumption proposition is correct it could follow that the more commanding a position a trader had established in the market by reason of the reputation of his goods and the distinctive character of their get-up, the more difficult would it be for him to establish deception by an incoming trader with a similar get-up. Surely an anomalous result.

.....In this statement the learned judge was clearly recognising that the shape and configuration of the article could be protected against deception.

In my view these two cases are merely examples of the general principle that no man may sell his goods under the pretence that they are the goods of another. This principle applies as well to the goods themselves as to their get-up. "A" markets a ratchet screwdriver with a distinctively shaped handle. The screwdriver has acquired a reputation for reliability and utility and is generally recognised by the public as being the product of "A" because of its handle. "A" would be entitled to protection against "B" if the latter sought to market a ratchet screwdriver with a similarly shaped handle without taking sufficient steps to see that the public were not misled into thinking that his product was that of "A". It is important to remember that such protection does not confer on "A" a monopoly in the sale of ratchet screwdrivers nor even in the sale of such screwdrivers with similarly distinctive handles if other appropriate means can be found of distinguishing the two products. Once again it will be a question of fact whether the distinguishing features are sufficient to avoid deception."

39. In **Colgate Palmolive v. Anchor Health**, 108 (2003) DLT 51, this Court quoted with approval the following observations in **Florence Mfg. Co.v. J C Dowd & Co.** 2 Cir. 178 F.73,75 :

"It is so easy for the honest business man, who wishes to sell his goods upon their merits, to select from the entire material universe, which is before him, symbols, marks and covering which by no possibility can cause confusion between his goods and those of his competitors, that the courts look with suspicion upon one who, in dressing his goods for the market, approaches so near to his successful rival that the public may fail to distinguish between them".
{para 48}

It was further observed by this Court that:

"54.....There is a wide protection against imitation or deceptive similarities of trade dress as trade dress is the soul for identification of the goods as to its source and origin and as such is liable to cause confusion in the minds of unwary customers....

59. Conscious imitation or substantial imitation of colour combination or get up or lay out of container again bares the design of the defendant in causing confusion in the minds of customers. The court is not required to find out whether there is confusion or deceptiveness. The test is whether there is likelihood of confusion or deceptiveness in the minds of unwary customers irrespective of dissimilarities in the trade name.

60. In the case of passing off and for that purpose infringement of trade mark which are already in existence, the second or for that purpose the subsequent comer has certain obligation to avoid unfair competition and become unjustly rich by encashing on the goodwill or reputation of the prior comer. They have to establish and bank upon on their own trade dress or distinctive features so as to establish their own merit and reputation and attract the attention of the purchasing public and if there are no substantial dissimilarities of marks, colour combination, get up or lay out on the container or packing or covering of the goods of the prior comer these are likely to create confusion in the minds of customers between his goods and the goods of the prior comer in the market, as underlying and hidden intention of the second comer is to encash upon the successful rival."

40. In ***Cadbury India Ltd. v. Neeraj Food Products***, 142 (2007) DLT 724, this Court while discussing the principle of dishonest adoption observed as under:

"31. Holding that it is the points of similarity which have to be given greater attention to than those of dissimilarity in 22 RPC 273 Munday v. Carey, it was held thus

"...where you see dishonesty, then even though the similarity were less than it is here, you ought, I think, to pay great attention to the items of similarity, and less to the items of dissimilarity."

32. It would be also useful to consider the principles which were laid down in 1996 RPC 697 Harrods Ltd. v. Harrodian School Limited wherein it was held that the

deception is the gist of the tort of passing off and it is not necessary for a plaintiff to establish that the defendant consciously intended to deceive the public if that is the probable result of his conduct, nevertheless, the question why the defendant chose to adopt a particular name or get up is always highly relevant."

41. In ***Frito-Lay India v. Radesh Foods***, 2009 (40) PTC 37 (Del.) this Court laid down the Test of close proximity for determining dishonest adoption in the following words:

"There are many combinations and permutations of designs, colours and graphics that can be achieved and used in relation to packaging designs.... It is clear that the defendants adoption and use of the impugned packaging design is not a mere coincidence or an innocent act but, a concerted and a deliberate attempt to achieve the maximum proximity with the plaintiff's Lays packaging design."

42. In ***T.V. Venugopal v. Ushodaya Enterprises Ltd.***, (2011) 4 SCC 85, the Supreme Court quoted with approval the observations of this Court in ***Daimler Benz Aktiegesellschaft v. Hydro Hindustan*** (1994) 14 PTC 287 to the effect that:

"15. In my view, the trade mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods, especially so when the reputation extends worldwide...."

It was further observed by the Supreme Court that:

"75if it is found by the court that such a mark has attained distinctiveness and is associated with the business of the plaintiff for considerable time and thereafter the defendant adopts a similar word as one of his two marks to induce innocent internet users to come to the website of the defendant, which establishes dishonest intention and bad faith, would the court still be not granting injunction to protect the business of the plaintiff? The answer to the said

question has to be an emphatic "No". User of similar word by a competitor coupled with dishonest intention and bad faith would empower a court to restrain such user/misuser to do equitable justice to the aggrieved party.

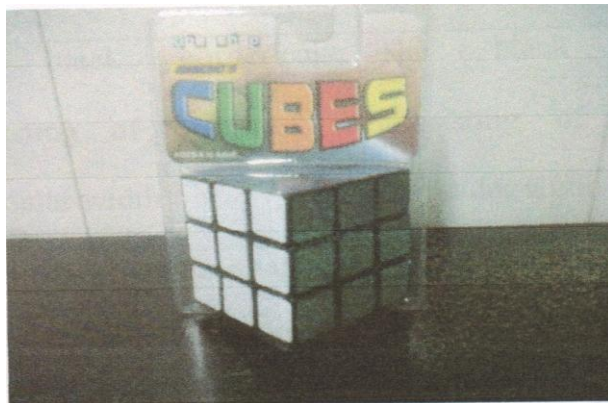
In the conclusions, it was observed by the Supreme Court that in a case of dishonest adoption "*it is the bounden duty and obligation of the Court not only to protect the goodwill and reputation of the respondent Company but also to protect the interest of the consumers*".

43. Applying the principles laid down in the above referred cases, it is to be examined as to whether the present case falls within the range of these cases. Firstly, the scanned copy of the two products of the rival parties on the date of filing of the suit have been reproduced here as under:

Plaintiff No.1's Rubik's Cube :



Defendants' Rancho's Cubes :



44. The plaintiffs have given the details of the similarities between the two products of the parties. The same are mentioned in para 24(d) of the plaint, which are as under:

Sl. No.	Rubik's Cube manufactured and sold by the plaintiffs.	Rancho's cubes manufactured and sold by the defendants
1.	The entire cube consists of 6 different coloured stickers namely particular shades of green, red, blue, yellow, white and orange	The entire cube consists of different coloured stickers namely particular shades of green, red, blue, yellow, white and orange
2.	The sticker is square shaped with rounded edges	The sticker is square shaped with rounded edges
3.	The black border/cage consisting, of lines of a particular width.	The black border/cage consisting of lines of a particular width
4.	The puzzle is in the shape of a cube and its size is and each side has 9 stickers	The puzzle is in the shape of a cube and its size is and each side has 9 stickers
5.	The shape of the packaging which is transparent is diagonal which gives an impression that 3 dimensional triangles are bulging out of the front and the back of the box	The shape of the packaging which is transparent is diagonal which gives an impression that 3 dimensional triangles are bulging out of the front and the back of the box
6.	There are indentations on the transparent packaging forming a grid corresponding to the grid on the face of the Rubik's cube	There are indentations on the transparent packaging forming a grid corresponding to the grid on the face of the Rancho's Cube
7.	Label consists of a combination of the colours (red, blue, green, orange and yellow) as well as artistic features like the distinct comic font with each letter of the mark in a different colour and the words "Ages 8 to Adult" placed on the lower left hand corner of the label.	Label consists of a combination of the colours (red, blue, green, orange and yellow) as well as artistic features like the distinct comic font with each letter of the mark in a different colour and the words "Ages 8 to Adult" placed on the lower left

		hand comer of the label
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45. Thus, irrespective of fact whether any case of infringement of copyright has been made out or not, still the passing off action would lie if a valid case is made out. In the facts and material placed on record, it appears to the Court that the passing off action would lie.

46. While overruling the decision of **S.M.Dyechem v. Cadbury India Ltd.** reported in (2000) 5 SCC 574 in the case of **Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.** reported in (2001) 5 SCC 783, the principles laid down in **Dyechem** case (supra) that the prominence must be given to the dis-similarities, the Supreme Court in **Cadila** case (supra) after discussing the law laid down by the Supreme Court for the last years and the Supreme Court had come to the conclusion that while comparing the two products, it is essential that prominence should be given to similarities rather, dis-similarities. In **Dyechem** case (supra) the similar view was taken as in **Kelloggs** case. Thus in a way the view taken in **Kelloggs** case (supra) and **Dyechem** case (supra) was not approved in the subsequent judgment i.e. **Cadila** case (supra).

47. The arguments of the defendants are that no exclusivity can be claimed in basic colors or the color black which forms the border/cage. The said submissions have no force as the plaintiffs are not seeking protection in any single feature but in the combination of all these features which constitutes the get up of a product namely the combination of shape/size/color-combination/black border of the squares etc.

48. There is also no force in the submission with regard to black grid not being distinctive. The main question being considered was whether the trade dress is inherently distinctive. In order to compare the two products with regard to trade dress, the overall look and appearance of the products and general "impression & idea" left in the mind by the consumer is to be kept in the mind.

49. The second submissions of the defendants have also no force when it is argued that by affixing their own label on the trade-dress as the defendants have taken steps to distinguish the goods. In **Reckitt & Colman v. Borden**, (1990) R.P.C. 341 the House of Lords, while elaborating upon the fundamental principle that "*no man may sell his goods under the pretence that they are the goods of another*", held that "*where a particular get-up of goods has been for a long time, for many years, on the market so as to become identified in course of time with the plaintiff's goods . . . in such a situation the label plays only an ancilliary part in the get-up.*"

It has been accepted by the House of Lords that if the defendant attaches his own label to the prior user's trade dress then in such event far from serving to distinguish the goods, the label would actually tantamount to "*..a deliberate appropriation of that get up as their own*". In other words, merely using their own label on the plaintiffs' trade dress not only causes deception but also has the consequence of diluting the plaintiffs' goodwill in the trade dress.

50. In support of her submission learned Senior counsel appearing on behalf of the defendants seeks to rely upon the judgment in **Kellogg** and the dicta of Lord Halsbury in **Schweppes** [1905 (22) RPC 601] to the effect that a person who does not treat the label fairly by giving it enough attention, cannot be said to have been

deceived. As a matter of fact the judgment rendered in **Kelloggs** matter is decided *inter-alia* on the text laid down in **Schweppes** case (supra).

51. The above observations of Lord Halsbury [relied upon in **Kelloggs**] were specifically held by the House of Lords in **Reckit & Colman** to have been made in the peculiar facts of that case and not representing any principle of law and has been distinguished. The view taken in **Kelloggs'** case was retreated in the case of **Dychem** and incidentally the author of both the judgments is the same Judge but significantly, while overruling the judgement in **Dychem**, the Supreme Court in **Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.**, (2001) 5 SCC 73 as specifically held in relation to the above observations of Lord Halsbury that "these observations appear to us to be contrary to the decision of this Court in **Amritdhara Pharmacy v. Satya Deo Gupta** (reported in AIR 1963 SCC 449)."

52. Furthermore, it has also been held by this Court in **N. Ranga Rao v. Anil Garg**, 2006 (32) PTC 15 (Del.) that the dictum in **Kellogg's** case to the extent it relied on the **Schweppes** case, would not hold good in view of the subsequent development of the law in **Cadilla**. It was further held that in any case the reasoning in **Kellogg** would apply only where the customers can readily be characterised as "sophisticated and discerning" and not in a case as the present.

53. Again in **Sanjay Kapur v. Dev Agri Farms**, 2014 (59) PTC 93 the Single Judge of this Court distinguished the judgment in Kellogg's case as having been passed in the peculiar facts of that case namely the trade dress being entirely different. The Division

Bench upheld this finding of the Single Judge and further observed that it would not be correct to say that “*merely because a trademark [or label] is displayed on the packaging material [or trade dress], even then notwithstanding a striking similarity in the packaging material there would be no likelihood of deception*”.

54. It is rightly submitted by the learned counsel for the plaintiffs that marks/trade dress will always have points of dissimilarities. Where these dissimilarities outweigh the differences, then it might be correct to say that the trademarks/trade dress is not similar. Public interest is of utmost concern in these cases and despite dissimilarities, if there is bound to be consumer confusion, then trademarks/trade dress must be held to be similar. Moreover, this argument goes totally contrary to the law laid down by the Supreme Court in **Cadila** (supra) wherein it was laid down that while comparing trademarks/ trade dress, the focus has to be on similarities and not dissimilarities, particularly when the trade dress has acquired immense goodwill and worldwide reputation by virtue of long and extensive user. It was further observed that it would be incorrect to say that differences in essential features are at all relevant as has been sought to be urged by the defendants. In other words all that is relevant and has to be compared are the similarities in the trade dress and not the dissimilarities.

55. The same view has been taken by this Court in **Cadbury India v. Neeraj Food** (supra) wherein it was observed that the points of similarity which have to be given greater attention to than those of dissimilarity and that one has to pay great attention to the items of similarity, and less to the items of dissimilarity (paras 31 & 32).

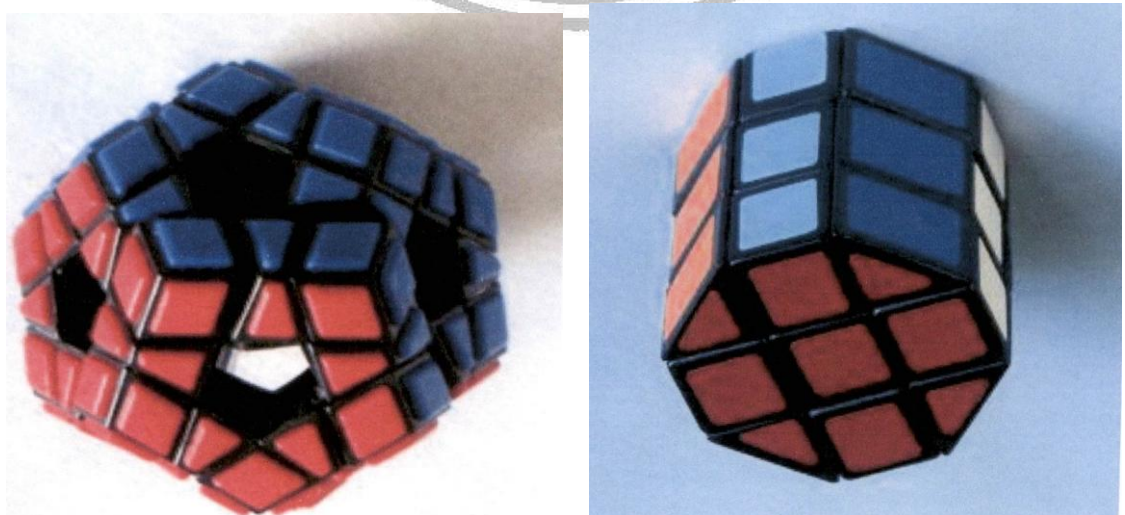
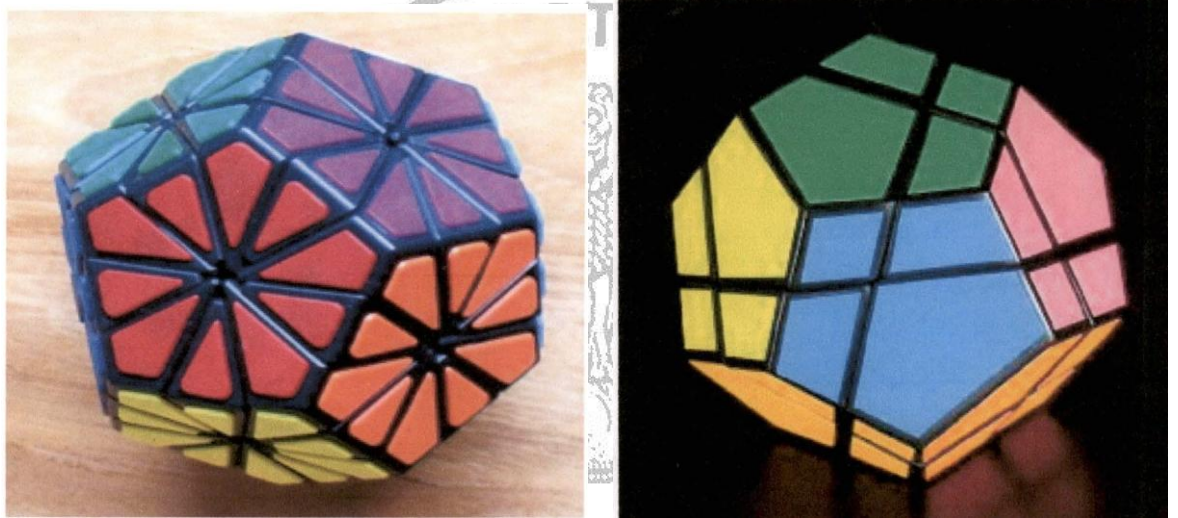
56. Reliance placed by the defendants on ***Cipla v. M.K. Pharmaceuticals***, (2001) 5 SCC 73 is wholly misconceived as the argument is based on the erroneous premise that factors that influence a consumer's decision to purchase a toy is akin to that of a person who goes to a chemist to purchase prescription drugs. Further, unlike the instant case, the facts of ***Cipla*** were confined to a passing off action in respect of a single colour as opposed to a combination of colors that is in question in this present case.

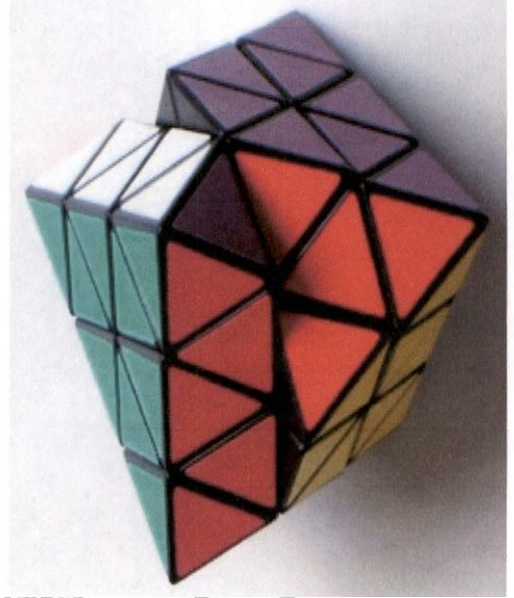
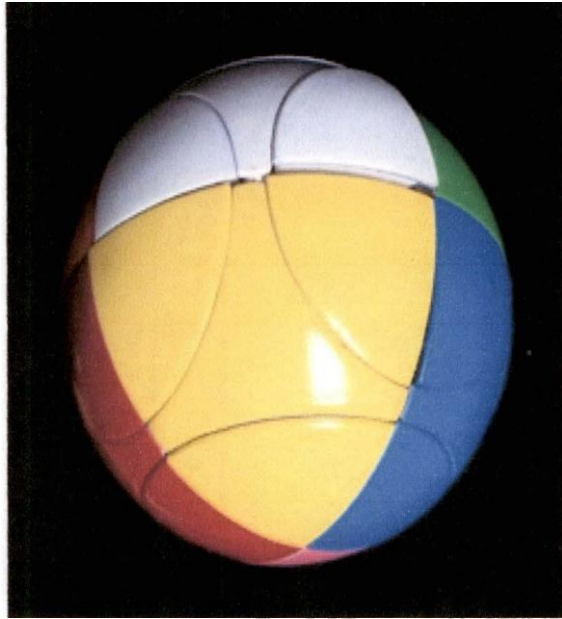
57. In view of the facts and circumstances in the matter, I am of the view that the plaintiffs have been able to establish a strong case of passing off as there is no justification given by the defendants as to how the similar trade-dress hit upon them. It is evident that on the date of adoption they must be aware about the game of the plaintiffs and the defendants have created the trade dress by placing the trace of the plaintiffs, otherwise, it was not possible for anyone to have the similar trade dress/colour combination and layout. Thus, the plaintiffs are entitled for infringement as prayed in the application in relation to the trade dress.

58. Lastly, it was mentioned by the counsel for the defendants that without prejudice, the defendants have offered to change the size of the coloured stickers on the 6 faces of the cube from present 'square' to 'circular'. On such change to circular stickers, not only is the impression of any alleged "black border/cage" completely unfounded, but also the look of the defendants' product will become materially different from that of the plaintiffs. The sample of the same was shown. The plaintiffs have rejected the offer given by the defendants to alter/change its trade dress as counsel for the plaintiffs upon instruction submits that the changes suggested by the

defendants may also amount to confusion and deception. He says that the black colour used in change/alter would create confusion and deception as in many cases a child is bound to identify a toy by its trade dress.

59. He says that if the defendants are ready to change the trade-dress in the same manner as used by other parties, the plaintiffs may not be having any objection. He gave colour photocopies of trade dress of third party. Scanned copy has been reproduced here as under:





60. However, it is submitted by the learned counsel for the plaintiffs that the present case is a classic example of how a defendant first seeks to adopt the trade dress of the plaintiffs in entirety and then to satisfy the Court seeks to introduce "*variations in detail*". This approach is totally flawed inasmuch as, it is observed by the Supreme Court in **Parle Products (P) Ltd. v. J.P. and Co.** (1972) 1 SCC 618 that:-

"Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with"

The above observations have been followed by this Court in **Cadbury v. Neeraj Foods** (*supra*).

The said approach is also totally contrary to the law laid down by this Court in **Colgate Palmolive v. Anchor Health** (*supra*) wherein it was laid down that that a second comer has to make

every effort to stay as far away as possible from the trade dress of a prior user and create its own goodwill.

61. In view of the above explanation given on behalf of the plaintiffs and the changes suggested by the defendants, I am of the view that without going into the controversy as to whether the changes suggested about the trade dress by the defendants or it should not be used in the market, it is proper that the Court should not express any opinion at this stage as it is the duty of the Court to decide the dispute in hand which is to be decided. If the defendants wish to use any changed version, it is upto them and in case of any complaint by the plaintiffs, it would be decided at that time. An opinion cannot be expressed at this stage in view of non-agreement on behalf of the plaintiffs. Thus, the present interim application is being decided on the basis of material and facts before the Court.

62. As far as the impugned trade dress used by the defendants at the time of filing of the suit, the plaintiffs have made a *prima facie* good case; the balance of convenience also lies in favour of the plaintiffs and against the defendants. The interim orders against the defendants have been operating since about 5 years and 9 months. In case, the interim order is not passed, the plaintiffs would suffer irreparable loss and injury. Under these circumstances, the trial of the suit is expedited.

63. Till the disposal of the suit, the defendants, their servants, agents and other persons on their behalf are restrained from manufacturing, selling or marketing Rancho's Cubes on any other puzzles or toys with a similar trade dress, get up and colour

combination as Rubik's game of the plaintiffs and they are also restrained to pass off their goods as that of the plaintiffs.

64. No costs.

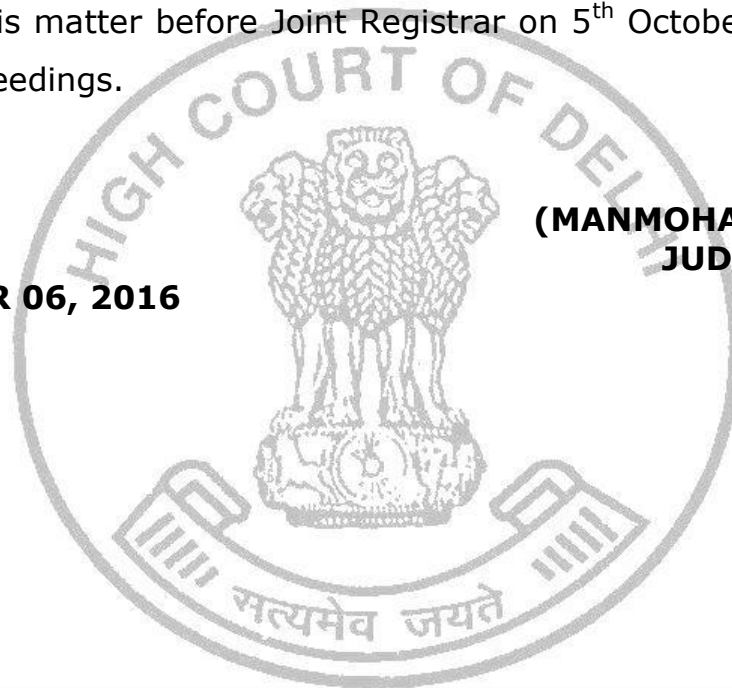
65. The application is accordingly disposed of.

66. The above findings arrived at are tentative in nature and have no bearing when the suit would be decided on merits after trial.

CS (OS) No. 2101/2010

67. List this matter before Joint Registrar on 5th October, 2016 for further proceedings.

SEPTEMBER 06, 2016



**(MANMOHAN SINGH)
JUDGE**