

Proctor & Gamble V/S Joy Creators and Others.



DELHI HIGH COURT JUDGMENT

Decided on: 21.02.2011

RATIO DECIDENDI:

- In order to constitute infringement it is not necessary that impugned trademark should be an absolute replica of the registered trademark.
- Punitive damages are founded on the philosophy of corrective justice.

FACTUAL MATRIX:

1. The present suit is a suit for permanent injunction, rendition of accounts, damages and delivery up of the infringing material. The plaintiff is a fortune 500 company, having business operation in 80 countries, dealing in a large number of products and employing 1,38,000/- persons.
2. The plaintiff is the manufacturer of skin care products and personal cleansing products, including **Olay Total Effects** (anti ageing moisturizer). The plaintiff owns a registered trademark "OLAY TOTAL EFFECTS" in Class 3 of Schedule 4 of the Trademarks Act, 1999. The plaintiff launched its

3. products under the above trademark in 2007 and had sale amounting to Rs. 266.65 million in India during the period from 1st July, 2007 to 30th July, 2008.
4. In the April, 2008, the plaintiff came across an advertisement of an application for registration of the label containing the mark “JOY ULTRA LOOK TOTAL EFFECTS”, in respect of cosmetics by the defendants. The defendants claimed that they were using the label since April 2001. The plaintiffs filed initiated opposition proceedings against the registration and the opposition proceedings are still pending.
5. Plaintiffs have further alleged that the defendant is using the words “TOTAL EFFECTS” only in relation to anti aging/age defying products. The plaintiffs have thus initiated infringement and passing off actions.
6. The defendants claim that in their label, “JOY ULTRA LOOK TOTAL EFFECTS”, the words ULTRA LOOK had been given prominence and that the words TOTAL EFFECTS were written below the words ULTRA LOOK in much smaller font size.
7. The Delhi High Court through an interim order had restrained the defendants from using the trademark “TOTAL EFFECTS” or any other deceptive variation. The interim order was made absolute on 24th January 2011.

JUDGMENT:

1. The Court held that the plaintiff only needs to show that the trademark of the defendant “resembles its trademark in a substantial degree, on account of extensive use of the main features” of the trademark. The Court noted that a “consumer with average intelligence and imperfect recollection” has to be kept in mind. It is important to note that the consumer does not have both the marks lying side by side for comparison. This increases the chances of deception.
2. The Court reasoned that TOTAL EFFECTS was an essential and integral part of the plaintiff’s trademark. Therefore its use with changes like prefixes, suffixes and packaging will not be of significance once the essential part is used. Thus, the court ruled in favour of the plaintiff (Proctor & Gamble) restraining defendants (Joy Creators) from manufacturing, selling, or

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marketing age defying foundation or any other product in respect of which the plaintiff (Proctor & Gamble) holds the registered word mark OLAY TOTAL EFFECTS.

3. The Court also stressed the need to award punitive damages to defendants who are absent before court. The Court observed that punitive damages are founded on the philosophy of corrective justice, relying on Time Incorporated v/s. Lokesh Srivastava [2005(30) PTC 3 (Del)] and Hero Honda Motors Ltd. v/s. Shree Assuramji Scooters [2006(32) PTC 117 (Del)]. Further, Hon'ble High Court held that defendants should not be allowed to escape liability just because the actual profit generated from the infringing mark cannot be computed from the account books. The Court awarded punitive damages amounting to Rs. 1, 00,000 each against the defendants.

CONCLUSION:

It is pertinent to note that in the instant case, neither the relief of injunction nor the relief of delivery up of infringing material was pressed for. The plaintiff insisted on the award of punitive and compensatory damages against the defendants. The Court held that punitive damages are founded on the philosophy of corrective justice and these must be awarded to give a caution signal to the wrongdoers.