

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

IN ITS COMMERCIAL DIVISION

INTERIM APPLICATION No. 1 OF 2019

IN

COMMERCIAL I.P. SUIT (L) No. 1372 OF 2019

Frito-Lay North America, Inc. and Ors. ...Applicants

In the matter of

Frito-Lay North America, Inc. and Ors. ...Plaintiffs

Vs.

Balaji Wafers Pvt. Ltd. ...Defendant

Dr. Veerendra Tuljapurkar, Senior Advocate a/w. Mr. Hiren Kamod, a/w. Mr. Farid Karachiwala a/w. Mr. Dhiraj Naik a/w. Mrs. Sneh Parikh a/w. Mrs. Unnati Vijay a/w. Ms. Shruti Dass i/b. J. Sagar Associates for Plaintiffs/Applicants.

Mr. Vinod Bhagat a/w. Ms. Laher Shah a/w. Ms. Parveen Anand i/b. G.S. Hegde & V. A Bhagat for Defendant.

CORAM : S.C. GUPTE, J.

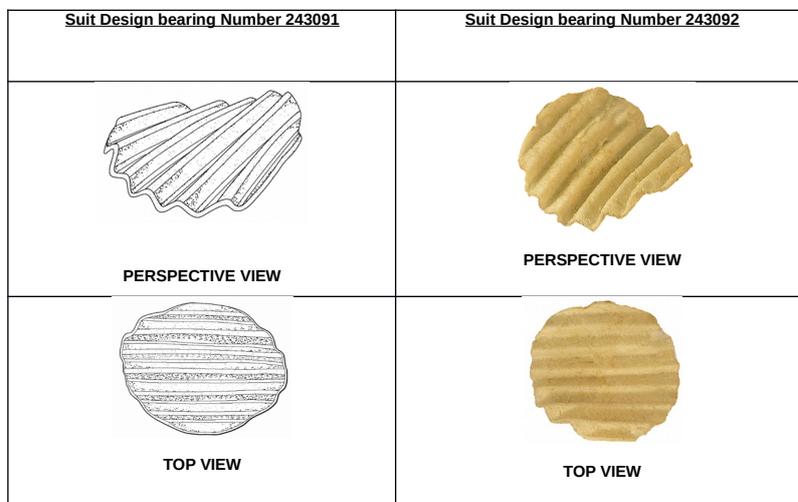
DATE : 21 JANUARY 2020

P.C. :

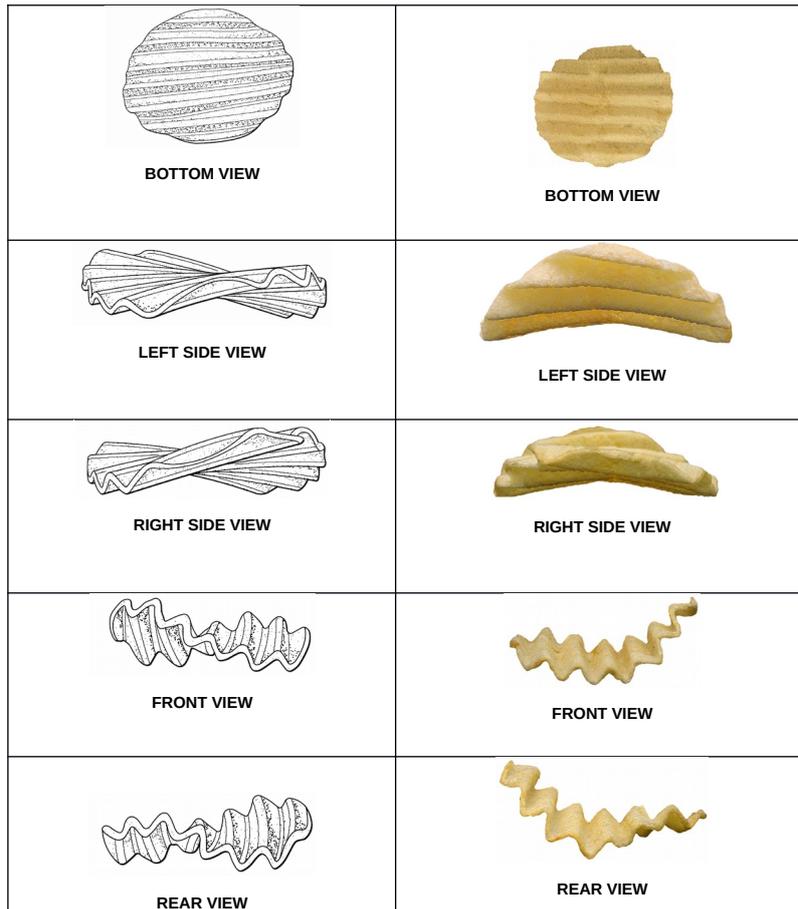
1. Heard Learned Counsel for the parties.
2. This Commercial I.P. Suit is in respect of infringement of a registered design. The Plaintiffs seek a perpetual injunction restraining the Defendant from marketing snack food products embodying the Plaintiffs' registered design.

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3. Plaintiff No.1 – Frito-Lay North America, Inc. is a Corporation, incorporated under the laws of the State of Delaware, USA. It claims to be one of the largest and best-known manufacturers and distributors of chips, snack foods and related products in the world, with over 50,000 employees. It claims to have originally launched a snack food product by the name of ‘LAY’s’ in western countries applying a new design. The Plaintiffs claim to have invented this innovative design, which is a wave-like design, popularly known as “ridge design” having an undulating (up and down) surface. As the product “LAY’s” grew in popularity, Plaintiff No.1 claims to have developed another innovative and unique design which has deeper ridges and crusts throughout the surface. The Plaintiffs claim to have made the product crunchier by application of this peculiar design. The design is registered in India in two forms (“suit designs”). The suit designs, which bear registration Nos. 240391 and 240392, in their various views such as top bottom prospect, left and right, front and rear views, are depicted below. Potato Chips bearing these designs are marketed by the Plaintiffs under the brand name of “Lay’s Maxx Chips” in India and “Ruffles” all over the rest of the world.



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4. It is the grievance of the Plaintiffs that the Defendant, who is an Indian company, incorporated in the year 1995, has started using an identical design or a very similar for similar products, viz. potato chips, sold under the brand name 'Rumbles'. A depiction of the Defendant's product, by the image on the wrapper of its product "Rumbles" and actual images of the snack food product marketed in "Rumbles" packets, is shown below.

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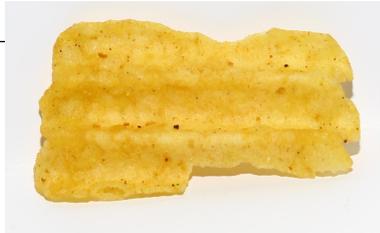
**Image as available on the product wrapper of
"Rumbles"**



**Actual Images of the Snack Food Product in the
Rumbles packets**

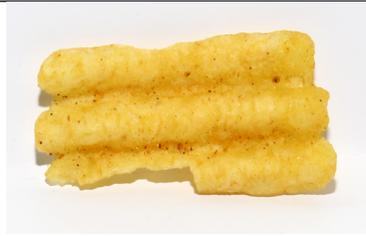


PERSPECTIVE VIEW



TOP VIEW

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BOTTOM VIEW



LEFT SIDE VIEW



RIGHT SIDE VIEW



FRONT VIEW



REAR VIEW

The Plaintiffs claim to have purchased the aforesaid infringing products marketed by the Defendant from within the territorial jurisdiction of this Court. Based on these allegations, the Plaintiffs pray for a perpetual injunction, restraining the Defendant from manufacturing, selling or distributing snack food products embodying the Plaintiffs' registered designs referred to above. The Plaintiffs apply for interim reliefs in this application and presently pray for ad-interim reliefs in the same terms.

5. The Defendant has filed a reply, opposing ad-interim reliefs. The Defendant, firstly, contests the jurisdiction of this Court. It claims to be carrying on business at Rajkot in Gujarat, that is to say, outside the local limits of the jurisdiction of this Court. It disputes the Plaintiffs' claim that the infringing products are available or may be purchased within the local limits of the jurisdiction of this Court. Secondly, it is submitted that the essential element of the suit designs, proprietorship in which is claimed by the Plaintiffs, is the ridge design or shape. It is submitted that similar snack food products, particularly, potato chips, are available in the market. The Defendant relies on a compilation of documents, which consist of Wikipedia pages and advertisements/trade notices, which disclose write ups and development of similar products which come in the very design. It is submitted that the Plaintiffs' registered designs have nothing new or original about them; there is no dearth of known designs or combination of known designs of the same pattern or shape.

6. Learned Counsel appearing for the Defendant, relying on the provisions of Section 19 of the Designs Act, submits that a design, which has been published in India or any other country prior to the date of

application for registration of the design by the alleged proprietor, or is not new or original, is not registrable and any such registration is liable to be cancelled. Learned Counsel submits that the particular design of snack food, including potato chips, already being in the market and the Plaintiffs' registered designs not containing any significant features so as to distinguish them from the design already available in the market, the Plaintiffs, as registered proprietors of the designs, are not entitled to the protection sought.

7. Registration of a design entitles the registered proprietor to prohibit any person, for the purpose of sale, to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with a licence or written consent of the registered proprietor. Section 22 (1) of the Designs Act, 2000 prohibits such piracy. Sub-section (2) of Section 22 provides for penalties for contravention of the rule against piracy contained in Sub-section (1). As provided in Sub-section (4) of Section 22, any ground on which the registration of a design may be cancelled under Section 19 can be availed of as a defence to an action against piracy of a registered design. What Section 22 envisages is that a registered proprietor of a design, when he approaches a court with a case of piracy, must show that he has registration for the subject design and the defendant's use of infringing design which is either an obvious or a fraudulent imitation of his registered design. No doubt, the defendant can defend the action on the ground that the plaintiffs' registered design is liable to be cancelled under Section 19 of the Designs Act, but then the onus of setting up such case of cancellation is squarely on the defendant and he must satisfy the Court, in an interim application on a *prima facie* basis, that it is so liable to be

cancelled. That burden, as in a similar case for a registered trademark, as held by our Full Bench in **Lupin Ltd. vs. Johnson and Johnson**¹, is heavy; it is not sufficient, at the interlocutory stage, to merely make out an arguable case on the invalidity of the plaintiff's registration and on that basis, seek denial of relief to the plaintiff. It must be shown that the defendant has a good prima faice case for cancellation of the plaintiff's registration.

8. Coming now to the facts of the present case, as is obvious to the eye, the Defendant's design *prima facie* is an obvious imitation of the Plaintiffs' registered design. The question really is whether the Defendant has *prima facie* established its defence to the action on piracy under sub-section (4) of Section 22 read with Section 19 of the Designs Act. The defence is said to be under Clauses (b) and (c) of Sub-section (1) of Section 19. It is submitted that similar designs have been used in India or elsewhere since prior to the date of the Plaintiffs' registration of the subject designs and that the designs themselves are neither new nor original. The Defendant relies on advertisements and descriptions of products available in public domain, which purportedly indicate that snack food products, particularly potato chips, sold in the market by other manufacturers or traders do come in the same shape or design. It is submitted that by making insignificant changes to this publicly available design or by introducing mere trade variants, no originality or distinction can be claimed by the Plaintiffs.

9. We are at an ad-interim stage, where the parties are yet to file detailed affidavits and make out proper *prima facie* cases. The Plaintiffs' case and the defence advocated by the Defendant have to be seen from that standpoint. Secondly, what is important to note is that in assessing the

1 2015(1) Mh.L.J.501.

cases, one has to go by nothing but a general ocular impression; the novelty or otherwise of the product has to be assessed with eye as the ultimate arbiter. Thirdly, it is important to bear in mind the nature of the particular article to which the subject design is applied, and not bare geometry of the shape or design in abstract. A change made in an already available design may be trivial when considered from the standpoint of some articles, but may, on the other hand, be substantial in case of some others.

10. What is at once visible to the eye in the present case is that compared generally to wavy-shaped designs of snacks, particularly potato chips, which have already been published in the country or elsewhere, the shape and configuration of the Plaintiffs' designs, applied to their chips, do *prima facie* indicate a marked distinction. The ridges and crusts in the Plaintiffs' designs do have marked prominence and angularity and, to the bare eye, seem to be distinct from the generally wavy pattern of chips otherwise available in the market. The products, which are already available in public domain and which are relied upon by the Defendant, mostly come with a design of gentle waves unlike the Plaintiffs' registered designs which have distinctly deep ridges and crusts. The only other designs, which may be termed as substantially similar to, or more or less exact imitation of, the Plaintiffs' designs, are contained in the food products referred to on pages 64 and 70 of the Defendant's compilation, but then these are obviously, in point of time, much after the Plaintiffs' registration and cannot be called previously published or existing designs. One cannot even say generally, from a geometrical stand point, that a gently wavy shape or pattern is not distinct or different from a sharp-edged mountain-ridge shape or pattern. But it would be particularly so in

case of potato chips. It may be that in a given case, say, in case of tin roofs, the distinction may not be as significant, but in the case of potato chips, which are small size eatables, these differences cannot be dismissed as insignificant or trivial. By way of a general ocular impression, with eye as the final arbiter, one can indeed recognize a new and original idea in the Plaintiffs' registered designs in the backdrop of wavy designs otherwise available in the market. Having regard to the material produced by the Defendant before this Court, at this stage, this Court cannot come to the conclusion that the Defendant has *prima facie* established that the Plaintiffs' registration of designs is liable to be cancelled. In that case, the Plaintiffs do deserve an ad-interim protection based on their registration.

11. Even on a balance of convenience, the Plaintiffs have an arguable case for grant of urgent ad-interim reliefs. The Plaintiffs have registered their designs in 2012. They claim to be in the market since then. Lay's Maxx Chips, bearing the registered designs, have been sold for over Rs.48 Crores in 2015, and Rs.44 Crores, Rs.35 Crores, Rs.33 Crores and Rs.59 Crores, respectively, in 2016, 2017, 2018 and 2019. As against this, the Defendant, on its own showing, has introduced its product "Rumbles" much more recently. It cannot be said, at least at this ad-interim stage, that the products marketed under the brand name "Rumbles" have come to be identified by the market or consumers by their peculiar shape or design. Denial of ad-interim relief to the Plaintiffs may imply a clear dilution of their intellectual property in the designs, which would be irremediable, whereas changing of shape or design, as a result of ad-interim reliefs to be granted to the Plaintiffs, may not imply any irrevocable hardship to the Defendant.

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12. Accordingly, there will be an ad-interim injunction against the Defendant in terms of prayer clause (a) of the Interim Application.
13. Reply to Interim Application to be filed within four weeks from today. Rejoinder, if any, within two weeks thereafter.
14. The Interim Application to come up for hearing after six weeks.

(S.C. GUPTE, J.)