

MANU/DE/6737/2011

**Equivalent Citation:** 185(2011)DLT752, MIPR2012(1)135, 2012(49)PTC46(Del)

**IN THE HIGH COURT OF DELHI**

CS (OS) 2071/2003

Decided On: 07.12.2011

Appellants: **Societe Des Produits Nestle**  
**Vs.**

Respondent: **Continental Coffee Ltd.**

**Hon'ble Judges/Coram:**

Hon'ble Mr Justice V.K. Jain

**Counsels:**

For Appellant/Petitioner/Plaintiff: Ms Prathiba M. Singh, Mr Sudeep Chatterjee and Mr Sudeep Bhandari, Advs.

For Respondents/Defendant: None

**Subject: Intellectual Property Rights**

**Acts/Rules/Orders:**

Copyright Act, 1957 - Section 2, Copyright Act, 1957 - Section 14; Trade and Merchandise Marks Act, 1958 ; Trademarks Act, 1999 - Section 29(1), Trademarks Act, 1999 - Section 29(2)

**Cases Referred:**

R.G. Anand Vs. Delux Films and Ors. MANU/SC/0256/1978 : AIR 1978 SC 1613; P.C. Mallappa and Co. vs. McDonald's Corporation: 1999 PTC 9 Kar ; Kaira District Co-Operative Milk vs Bharat Confectionery Works: PTC (1) 615 (Del)

**Citing Reference:**

Discussed

3

**Case Note:**

**Copyright - Artistic work - Scope and meaning - Section 2(c) of the Copyright Act, 1957 - Whether the copyright in the instant case was available in use of a red coloured mug or the manner in which mug was depicted in the artistic work of the author.**

**Held, Court was unable to accept the contention of the Defendant that no artistic work was involved in the device, which only uses a mug and red colour. No one could claim an exclusive right to use red colour or a mug, as a part of his artistic work. But, a mug could be designed and depicted in numerous ways and, therefore, it was difficult to dispute that hard work and labour was involved in designing a mug in a particular way. Copyright was available not in use of a red mug, but, in the manner the mug was depicted in the artistic work of the author. Putting a golden line around the mug also involved some artistic work since it involved imagination and thought on the part of the author/owner to use the golden line on the mug in such a manner so as to create a new design by his work. Definition of artistic work given in Section 2(c) of Copyrights Act makes it evident that a drawing would be an artistic work irrespective of whether the work possesses any artistic quality or not. Therefore, drawing and depicting a cup in a particular manner would be covered in the definition of artistic work.**

**Copyright - Infringement of copyright - Test to prove infringement - Application of test called "lay observer test"**

**Held, in order to constitute infringement of a copyright in a work, it is not necessary that the impugned work should be verbatim re-production of the work of the Plaintiff. It would be sufficient to constitute infringement if a substantial or core part of work of the Plaintiff is re-produced by the Defendant. The Defendant has every right to use the basic idea involved in the work of the Plaintiff, but he is not permitted to express that idea in the same form and the same manner in which it has been done by the Plaintiff. What has to be seen in such a case is as to whether the Defendant has merely made a fair use of the idea or has substantially appropriated the manner in which that idea**

has been depicted or expressed by the Plaintiff. The test to be applied by the Court, wherever infringement of copyright is alleged, is to ascertain not as to whether the work of the Defendant is an exact re-production of the work of the Plaintiff, but, whether a person who comes across the work of the Defendant would form an opinion that it was the work of the Plaintiffs or not. There is no test laid down to decide as to what constitute re-production of a substantial part of the work. The test which the Courts have been applying in such cases is as to effect produced on the mind of the person who has seen the work of the Plaintiff and also comes across the work of the Defendant. The degree of resemblance between two works must be such that it suggests an impression, in the mind of the observer, that the work of the Defendant is, in fact, the work of the Plaintiff. The Courts, therefore, are required to apply the test called the "lay observer test" and find out whether the object of the Defendant appears to be the object of the Plaintiff. A comparison of the packaging being used by the Defendant with the packaging being used by the Plaintiffs showed that there were number of striking similarities; firstly, there was a golden ring around the mug in the device being used by the Plaintiff as well as in the device being used by the Defendant; secondly, the red colour being used in the two devices was almost identical; thirdly, boiling black coffee was shown in the device of the Plaintiff as well as in the device of the Defendant and; lastly, there was froth on the coffee in the two devices. Device being used by the Defendant was therefore, a re-production at least of a substantial portion of the work. Hence, Defendant was guilty of infringing the copyright of Plaintiff.

**Trade mark - Prior registration - Infringement of trade mark - Injunction sought — Sections 29 of the Trade Mark Act, 1999 - Whether prior registration under Copyright Act would authorise the Defendant to use the trade mark of the Plaintiff?**

Held, the red mug device being used by the Defendant was similar to the registered trade mark of the Plaintiff and in any case was likely to cause confusion in the mind of the public. It would be pertinent to note here that the test to determine whether the impugned trade mark infringes the registered trade mark of the Plaintiff or not is not to place the two marks side by side, identify the similarities and dissimilarities between the two marks and then take a view as to whether they are similar or not and whether the impugned mark is liable to cause confusion in the mind of the public or not. The test in such cases is as to whether an unwary customer of average intelligence and imperfect recollection, on seeing the impugned mark, would assume it to be the mark of the Plaintiff or would, on account of similarities between the impugned mark and the registered trade mark of the Plaintiff, and is likely to form an opinion that the product on which the impugned mark is used, originates from the Plaintiff or has been manufactured under licence or in collaboration or association with it and that is why the impugned mark has been used on that product. If the customer on account of the use of the impugned mark is likely to get confused with respect to the source of the product, that itself would constitute infringement within the meaning of Section 29(2) of Trade marks Act. Mere registration under Copyright Act does not authorise the Defendant to use the trade mark of the Plaintiff if it is found that the mark being used by him is identical or similar to the registered trade mark of the Plaintiff or it is proved that use of the impugned mark by him on identical goods is likely to cause confusion or create an impression of association with the registered trade mark of the Plaintiff. Registration under Copyright Act, in such a situation would be no defence to the charge of infringement and would not take the case out of the purview of Section 29(1) and (2) of Trade marks Act, 1999. Moreover, if it is shown that the use of its work by the Plaintiff, even if not registered under Copyright Act, 1957, is prior in point of time, the registration obtained by the Defendant would not give him a liberty to infringe the copyright of the Plaintiff. Use of the impugned mark by the Defendant constituted infringement not only of the copyright, but also of the trade mark of the Plaintiff and consequently, the Plaintiff was entitled to injunction against use of the aforesaid mark of the Defendant in any manner.

**Ratio Decidendi:**

*"A drawing would be an artistic work irrespective of whether the work possesses any artistic quality or not."*

## JUDGMENT

**V.K. Jain, J.**

CS (OS) 2071/2003 and IAs No. 11337/2003 and 1760/2007

1. This suit was instituted against two defendants-Continental Coffee Limited and Ashraj Foods Specialties Pvt. Ltd. The name of Continental Coffee Limited was deleted from the array of defendants vide order dated 15th May, 2009 since it claimed that it was only supplying the coffee powder to defendant No. 2, which was then selling that coffee in the impugned packaging.

manupatra  
2. The plaintiff No. 1 is a company registered in Switzerland, whereas, the plaintiff No. 2 is its Indian subsidiary. The plaintiff companies deal in a large number of products, including coffee, which they sell under the name 'NESCAFE'. The plaintiffs are selling coffee using a distinctive Red Mug Device on its packaging of the coffee since the year 1978. In the year 1999, the plaintiff introduced Red Mug device, with a Golden Line running around the Mug, in India. The aforesaid device is stated to be extremely distinctive of the plaintiff being used on all packages, wrappers/labels, publicity materials etc. in respect of coffee being sold by the plaintiffs. It is alleged that a mere look of the aforesaid device establishes a connection with 'NESCAFE' Coffee of the plaintiffs and, therefore, the device has acquired a secondary meaning and mark identification of the plaintiffs. The plaintiffs claim to be selling the 'NESCAFE' Instant Coffee since 1983. The plaintiffs also claim to be using the Red Mug as a standalone brand for the coffee.

This is also the case of the plaintiff is that this Red Mug Device was created by one Mr. Wolf-rudi von der Emden, who later assigned the copyrights in the aforesaid work to the plaintiffs.

3. The defendant is engaged in the business of marketing of coffee. The defendant is selling coffee under the brand name MR, using a label/device, depicting a red mug full of black coffee. The packaging being used by the defendant to sell coffee is alleged to be infringing copyright of the plaintiff company since; (i) wrapper/label of the defendants bears a Red Mug Device, (ii) the Golden Line on the Red Mug Device of the plaintiff is also being used by the defendants on its Red Mug (iii) 100% pure instant granulated coffee against a red background is also being used in their packaging, (iv) black coffee is shown poured in the device of both the parties and (v) there is froth shown on the coffee, in both the devices.

The plaintiffs have sought injunction restraining the defendant infringing his copyrights in the aforesaid work. They have also sought injunction restraining the defendants from passing off their goods as those of the plaintiffs, indulging in unfair competition and diluting the mark of the plaintiffs. The plaintiffs have also sought damages amounting to Rs. 20,51,000/-, besides delivery of the infringing materials.

4. The defendant filed written statement contesting the suit. In the written statement, it is alleged that the label being used by the defendant is registered in the name of Mr Rajesh Durgani, Managing Director of defendant No. 2 under Copyright Act and it is using the label with the consent of the author, Mr Rajesh Durgani. It is also alleged that the plaintiff cannot claim any exclusive copyright with respect to red mug and the red colour, they being basic material and there being no high degree of skill and knowledge involved in it. It was also alleged that mere use of the design available in the market or painting the same in red colour does not signify any skill. The defendant claims to be using the impugned label since 1975.

5. The plaintiffs have filed affidavit of their constituted attorney Ms Venita Gabriel by way of evidence. In her affidavit she has stated that red mark device being used by the plaintiff is an original artistic work which was created by Mr Wolf-rudi von der Emden, an employee of the company in the year 1978 and the rights in the aforesaid device were assigned to the plaintiffs, vide declaration Ex.PW-1/18. She has further stated that the aforesaid red mark device is being used by the plaintiff since 1978 on a world-wide basis. According to her, the red mug with a golden line running around the mug, was introduced by the plaintiff in the year 1990 and this device also is being used world-wide. She has further claimed that Nescafe was introduced in India in 1983 and the aforesaid red mug device has become extremely popular even in India. In this regard, she has referred to a TV commercial Ex.PW-1/7 which is telecast on Indian TV channels, in which the aforesaid device has been extensively used. She has claimed that the aforesaid red mug device is also being used by the plaintiff as a standalone brand. According to her, the aforesaid device has also been registered in India vide Registration No. 1199626 in class 30 which includes coffee.

6. Ex.PW-1/18 is the declaration by Mr Wolf-rudi von der Emden on 04th July, 2003, whereby he claimed to have created the red mark device, shown on the document. They are two red mark devices one created in the year 1978 which does not have a golden line around the mug and the other is the device created in the year 1990 which has a golden line running around with mug. In fact, the shape of the mug in the device of 1990 is different from the shape of the mug in the device of 1978.

7. I see no reason to disbelieve the testimony of Ms Venita Gabriel and the documents filed by the plaintiffs which show that the red label device being used by the plaintiffs was created by Mr Wolf-rudi von der Emden in the year 1990. The aforesaid red mug device was created by Mr Wolf-rudi von der Emden in the year 1990. Though the defendant claims to be using the mug shown in its packaging since the year 1975, there is absolutely no evidence to prove that the aforesaid label is being used by the defendant since prior to 1990 when Mr Wolf-rudi von der Emden claims to have created this work.

A perusal of the Copyright Registration obtained by the defendant vide registration No. A 63376/2003 in respect of packaging being used by it would show that the defendant applied for registration only on 19th March, 2002 though it claimed first publication in the year 1975 in India. Since there is no evidence of the aforesaid work having been used in India, at any point of time, prior to 1990 and the defendant has not come forward to establish that it was using the aforesaid label since the year 1975, no reliance can be placed on the copyright registration in favour of the defendant as regards the date since which this packaging is being used by the defendant.

8. In R.G. Anand Vs. Delux Films and Ors. MANU/SC/0256/1978 : AIR 1978 SC 1613, Supreme Court, inter

1. There can be no copyright in an idea, subject matter, themes, plots or historical or legendary facts and violation of the copyright in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copyright work.
2. Where the same idea is being developed in a different manner, it is manifest that the source being common, similarities are bound to occur. In such a case the courts should determine whether or not the similarities are on fundamental or substantial aspects of the mode of expression adopted in the copyrighted work. If the defendant's work is nothing but a literal imitation of the copyrighted work with some variations here and there it would amount to violation of the copyright. In other words, in order to be actionable the copy must be a substantial and material one which at once leads to the conclusion that the defendant is guilty of an act of piracy.
3. One of the surest and the safest test to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.
4. Where the theme is the same but is presented and treated differently so that the subsequent work becomes a completely new work, no question of violation of copyright arises.
5. Where however apart from the similarities appearing in the two works there are also material and broad dissimilarities which negative the intention to copy the original and the coincidences appearing in the two works are clearly incidental no infringement of the copyright comes into existence.

Supreme Court quoted with approval the following observations made by Copinger in his book on copyright (11th Edition):

What is protected is not original thought or information, but the original expression of thought or information in some concrete form. Consequently, it is only an infringement if the defendant has made an unlawful use of the form in which the thought or information is expressed. The defendant must to be liable, have made a substantial use of this form; he is not liable if he has taken from the work the essential, ideas however original, and expressed the idea in his own form, or used the idea for his own purposes.

9. Though the defendant has claimed that since no artistic work is involved in this device, which only uses a mug and red colour, I am unable to accept this contention. No one can claim an exclusive right to use red colour or a mug, as a part of his artistic work. But, a mug can be designed and depicted in numerous ways and, therefore, it is difficult to dispute that hard work and labour is involved in designing a mug in a particular way. Copyright is available not in use of a red mug, but, in the manner the mug is depicted in the artistic work of the author. It is not as if the plaintiff has used the photograph of some cup available in the market. Here, the mug was designed by Mr Wolf-rudi von der Emden in a unique shape. Putting a golden line around the mug also involves some artistic work since it involves imagination and thought on the part of the author/owner to use the golden line on the mug in such a manner so as to create a new design by his work. Since, a mug can be designed and depicted in number of ways, whenever it is designed and depicted in a unique manner in which it is not already available in the market, it is difficult to dispute that this would qualify as an artistic work within the meaning of Section 2(c) of Copyrights Act. In fact, the definition of artistic work given in Section 2(c) of Copyrights Act makes it evident that a drawing would be an artistic work irrespective of whether the work possesses any artistic quality or not. Therefore, drawing and depicting a cup in a particular manner would be covered in the definition of artistic work.

10. In order to constitute infringement of a copyright in a work, it is not necessary that the impugned work should be verbatim re-production of the work of the plaintiff. It would be sufficient to constitute infringement if a substantial or core part of work of the plaintiff is re-produced by the defendant. The defendant has every right to use the basic idea involved in the work of the plaintiff, but, he is not permitted to express that idea in the same form and the same manner in which it has been done by the plaintiff. What has to be seen in such a case is as to whether the defendant has merely made a fair use of the idea or has substantially appropriated the manner in which that idea has been depicted or expressed by the plaintiff. If the Courts insist on the work used by the defendant being an absolute replica of the work in which copyright is claimed by the plaintiff, any person seeking to make a dishonest use of the work of the plaintiff would make some changes here and there while copying the work of the plaintiff, so that in the event of being questioned, he may claim that the work being used by him not being an exact copy of the work of the plaintiff does not constitute infringement of the copyright of the plaintiff. The test to be applied by the Court, wherever infringement of copyright is alleged, is to ascertain not as to whether the work of the defendant is an exact re-production of the work of the plaintiff, but, whether a person who comes across the work of the defendant would form an opinion that it was the work of the plaintiffs or not. There is no test laid down to decide as to what constitute re-production of a substantial part of the work. The test which the Courts have been applying in such cases is as to effect

manupat produced on the mind of the person who has seen the work of the plaintiff and also comes across the work of the defendant. The degree of resemblance between two works must be such that it suggests an impression, in the mind of the observer, that the work of the defendant is, in fact, the work of the plaintiff. The Courts, therefore, are required to apply the test called the 'lay observer test' and find out whether the object of the defendant appears to be the object of the plaintiff.

11. A comparison of the packaging being used by the defendant which is Ex.PW-1/19 with the packaging being used by the plaintiffs would show that there are a number of striking similarities; firstly, there is a golden ring around the mug in the device being used by the plaintiff as well as in the device being used by the defendant; secondly, the red colour being used in the two devices is almost identical; thirdly, boiling black coffee is shown in the device of the plaintiff as well as in the device of the defendant and; lastly, there is froth on the coffee in the two devices. To my mind, the device being used by the defendant is, therefore, a reproduction at least of a substantial portion of the work which Mr Wolf-rudi von der Emden had created and later assigned to the plaintiffs. Since it is the plaintiff-company which have been using the aforesaid device before the defendant started using it, the copyright of the plaintiff-company in the aforesaid work has been clearly infringed by the defendant.

It would also been important to note there that the defendant has not come forward to explain why it chose to use a device which besides a red mug also has a golden line around the mug, black coffee in the mug and a froth on the coffee poured in the mug. The obvious inference, therefore, is, that the defendant by use of the impugned device wants to create confusion in the mind of the customer that the product being sold by it has some kind of an association with the plaintiff-company and, thereby encash upon the reputation which the trademark of the plaintiff-company enjoys in a large number of countries, including India.

12. In *M/s P.C. Mallappa and Co. vs. McDonald's Corporation*: 1999 PTC 9 (Kar), the respondent/plaintiff McDonald's Corporation was the registered proprietor of the trademark McDonald and the corporate logo 'M', whereas the appellant/respondent was using the logo 'M' along with words Mallappa and company as its trading style. The plaintiff/respondent was dealing in fast foods, whereas, the appellant/defendant was trading in sanitary goods. The logo being used by the appellant/defendant was registered under Copyrights Act, 1957. The plaintiff claimed that use of the logo 'M' by the defendant/appellant was likely to cause confusion and deception since on account of use of the logo 'M', people were likely to believe that the defendant has some connection with the plaintiff, in fact there being no connection whatsoever. While registering the logo 'M' of the plaintiff, the Trademark Registry had imposed a disclaimer on the plaintiffs for exclusive use of the letter 'M' except substantially as shown in the representation. One contention of the appellant/defendant was that it had a copyright registration in its favour which the plaintiff/respondent did not have. It was also contended that the goods of the appellant and the respondent being altogether different, there was no likelihood of an unwary purchaser of average intelligence being misled by the use of the trademark logo 'M' by the appellant/defendant. The plaintiff on the other hand claimed ownership of the artistic work in logo 'M' in the distinctive style and design of the famous golden arches created by its Chief Marketing Officer, Mr Paul Scharge and that this work constituted an original artistic work within the meaning of Section 2(c) of the Copyright Act. It was pointed out that registration of copyright is not mandatory as per Copyright Act. The Court was of the view that the appellant/defendant could not be allowed to make use of plaintiff's logo which was also registered in India under Trade and Merchandise Marks Act, 1958.

13. In the case before this Court at the time this suit was filed, the application of the plaintiff for registration of red mug device was pending before Trademark Registry. This device was registered as a trademark vide Registration Certificate No. 630385. Though the certificate was issued on 29th March, 2007, the registration date is 19th May, 2003. Though the plaintiffs have not amended the plaint so as to implead infringement of their registered trademark, it can hardly be disputed that the Court can and in fact ought to take note of the events subsequent to the filing of the suit. The plaintiffs have obtained registration of red mug device during pendency of the suit and the registration being effective from 19th May, 2003, i.e., more than five months before filing of this suit on 02nd December, 2003, the Court while deciding the case on merits, cannot ignore the registration obtained by the plaintiff under Trade and Merchandise Marks Act, 1958 Since the red mug device being used by the defendant is similar to the registered trademark of the plaintiff and in any case is likely to cause confusion in the mind of the public, use of the impugned device by the defendant would also constitute infringement of the registered trademark of the plaintiff. It would be pertinent to note here that the test to determine whether the impugned trademark infringes the registered trademark of the plaintiff or not is not to place the two marks side by side, identify the similarities and dissimilarities between the two marks and then take a view as to whether they are similar or not and whether the impugned mark is liable to cause confusion in the mind of the public or not. The test in such cases is as to whether an unwary customer of average intelligence and imperfect recollection, on seeing the impugned mark, would assume it to be the mark of the plaintiff or would, on account of similarities between the impugned mark and the registered trademark of the plaintiff, and is likely to form an opinion that the product on which the impugned mark is used, originates from the plaintiff or has been manufactured under licence or in collaboration or association with it and that is why the impugned mark has been used on that product. If the customer on account of the use of the impugned mark is likely to get confused with respect to the source of the product, that itself would constitute infringement within the meaning of Section 29(2) of Trademarks Act, wherever the goods on which the impugned trademark is used are identical to the goods in respect of which the plaintiff is using its registered trademark.

manupatra 14. In my view, mere registration under Copyright Act does not authorize the defendant to use the trademark of the plaintiff if it is found that the mark being used by him is identical or similar to the registered trademark of the plaintiff or it is proved that use of the impugned mark by him on identical goods is likely to cause confusion or create an impression of association with the registered trademark of the plaintiff. Registration under Copyright Act, in such a situation would be no defence to the charge of infringement and would not take the case out of the purview of Section 29(1) and (2) of Trademarks Act, 1999.

Moreover, if it is shown that the use of its work by the plaintiff, even if not registered under Copyright Act, 1957, is prior in point of time, the registration obtained by the defendant would not give him a liberty to infringe the copyright of the plaintiff. Once, it is shown that the work of the plaintiff in an artistic work in which a copyright subsists in its favour in terms of Section 14 of Copyright Act, registration of a similar work by the defendant under Copyright Act, would not save such a work if it is shown that it is a re-production of the whole or a substantial part of the work of the plaintiff. In taking this view, I find support from the decision of this Court in Kaira District Co-Operative Milk vs Bharat Confectionery Works: PTC (Suppl) (1) 615 (Del). In that case, the plaintiff was using the trademark AMUL in respect of various products such as milk, butter, cheese, chocolates, etc. The defendant in that case was found marketing biscuits under the trademark AMUL. On being sued, the defendant resisted on various grounds, including that the products being manufactured by it were different from the products being manufactured by the plaintiff and it was the owner of copyright in lettering and design of the mark AMUL as printed on the wrappers of biscuits. It was also claimed that the lettering and printing style on the wrappers of the defendant was altogether different from those of the plaintiff and there was no trade connection in the products of the two parties. The contention, however, was rejected by this Court noticing that Copyright Act does not provide any procedure for opposition of a proposed registration. The Court was of the view that registration obtained under Copyright Act does not provide any defence for the use of the registered trademark of the plaintiff.

15. For the reasons given in the preceding paragraphs, I am of the considered view that use of the impugned mark by the defendant constitutes infringement not only of the copyright, but also of the trademark of the plaintiff and consequently, the plaintiff is entitled to injunction against use of the aforesaid mark of the defendant in any manner. Though the plaintiff has also claimed damages and delivery up of the infringing material, no arguments on these reliefs having been advanced, I do not deem it appropriate to grant these reliefs to the plaintiffs.

#### ORDER

A decree for perpetual injunction is passed, restraining the defendant from using the impugned trademark Ex.PW-1/9 or any other mark which is identical or similar to the registered trademark of the plaintiff. The defendant is also restrained from infringing the copyright of the plaintiff in the red mug device by re-producing the aforesaid device or any substantial part thereof. In the facts and circumstances of the case, there shall be no order as to costs

Decree sheet be drawn accordingly.