



Soap Wars: Dabur Gets Interim Relief

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The background:

Recently, the Delhi High Court decided an intellectual property infringement suit between two consumer goods manufacturers, RB Health (US) LLC and Dabur India Limited. The plaintiffs moved the court to enforce their intellectual property rights vested collectively in a design registration, a tagline, and the trade dress of their soap bars.

The main plaintiff, RB Health (US) LLC, is a British multinational consumer goods company which sued the defendant along with its Indian counterpart and the second plaintiff, Reckitt Benckiser (India) Pvt Ltd. Also known by the Reckitt Benckiser Group, the company is a worldwide producer of health, hygiene, and household products including some well-known brands like 'Dettol', 'Harpic', 'Lizol', etc. The company owns and uses a set of design registrations for its various products, of which the ones relevant in this case are the design registrations for soap bars bearing numbers 229435 and 229436, falling in class 28-02, obtained on 21.05.2010 (with a priority date of 23.11.2009), and 24.04.2015, respectively. The impugned soap bar design bears the registration number 271671 and has a reciprocity date of 04.11.2014 in class 28-02.

The defendant, Dabur India Limited, is one of the biggest Indian manufacturers of Ayurvedic and natural healthcare goods. As per the plaintiffs' case, the cause of action arose when the defendant introduced a soap bar under the brand name 'Sanitize' on 30.07.2020, bearing a similar trade dress to that of the plaintiffs' product.



The issue:

The plaintiffs alleged piracy, infringement and passing off of the plaintiffs' registered design by the defendants. They stated that upon comparison, it would show that the defendant's product is a fake imitation of the plaintiffs' product.

To substantiate their claims against the defendant, the plaintiffs stated the following information in their written plaint: that they have been selling the antiseptic liquid soap under the brand name Dettol since 1933. They began using the 'sword device' in the trade dress from 1999-2000 in India and started using an 'overlapping soap sign' from 2010. The taglines 'be 100% sure', 'everyday protection against a wide range of unseen germs', and 'protection from 100 illness-causing germs', have been in use since 2003, 2010, and 2014, respectively.

The plaintiffs sought a permanent injunction against the defendant from manufacturing, importing, marketing, advertising, promoting, selling and/or using the plaintiffs' impugned design registration bearing number 271671 in class 28-02. The injunction was also sought to bar the defendant from using any combination of the plaintiffs' registered design with any other design. Furthermore, an injunction was sought to protect the tagline 'be 100% sure' used in the advertisements for the soap bar along with the packaging, and the colour of the product. The plaintiffs also sought to obtain all the material in the defendant's possession which bore the impugned design and a rendition of accounts.

The defendant denied copying the plaintiffs' designs by stating that their registered design is not unique or distinguishable from other similar designs available in the market, hence, they could not claim exclusive ownership over it. They submitted that the plaintiffs' taglines do not describe the product and cannot be protected under the IP law as it contains a disclaimer.

It is pertinent to note here that during an initial hearing on 14.08.2020, the court questioned whether similar designs for the same product already existed in the market. To this, the defendant submitted two design registrations owned by a competitor, Hindustan Unilever Limited (HUL), bearing design registration numbers 233189 and 233190 in the year 2010 in class 28-02 which

resembled the impugned designs. At that time, the court directed the Controller of Designs to present the documents related to these design registrations, including any applications moved by any of the parties on that behalf.

The plaintiffs' contentions:

Firstly, the plaintiffs repudiated the claims of the defendant by stating that the plaintiffs' registered design cannot be invalidated only because it has features which are common with the 2009 design. Since both the plaintiffs belong to a common parent company i.e. the Reckitt Benckiser Group, they hold a valid common ownership title over the registered designs.

Further, the defendant relied on HUL's design registrations to prove that the impugned designs already existed in the market. The plaintiffs stated that this is futile by citing that the plaintiffs were the first registered proprietors of the designs. Moreover, HUL's design registration only states the colour and colour combination used on their products.

The plaintiffs further stated that any other registration of the impugned design made outside India before 2009 will also not help the defendant's case because neither is it an available ground for cancellation under the Indian Designs Act nor do those design registrations constitute prior publication. The defendant failed to submit any evidence in support of their claim. They also submitted that those designs were not similar to the designs disputed in this case.

The plaintiffs submitted that the defendant had tried to pass off their product as the plaintiffs'. It was evident from looking at the defendant's product which had such features that were exclusively associated with the plaintiffs' product like the combination of green and white colour, display of same taglines, sword device, overlapping plus sign on the packaging, and the similar smell, colour, shape and configuration of the product. This in turn established fraudulent behaviour on the part of the defendant with a view to confuse consumers.

The defendant's contentions:

While denying all claims of infringement and passing off, the defendant reiterated that the soap bar design is not novel and has been in the public realm for a long time. To substantiate, they submitted a list of registered design numbers owned by competitors. Hence, they claimed protection under the 'Gillette Defence' doctrine as per which a defendant using a design which is already available in the public domain cannot be held liable for infringement.

On this basis, they claimed that the plaintiffs' registration of the design was invalid and

pleaded for cancellation of the registration. To maintain the registration, the court should apply the test of novelty to check whether the disputed design is novel and not a variant of earlier known designs. Also, if the plaintiffs could prove that their design is a variant of the design registered by them in 2009, they could sustain the registration.

However, this would also fail given the contention that the 2009 variant was owned by a different juridical entity. The disputed design in this suit cannot be protected as it is owned by a separate entity. Therefore, the defendant put forward that it was a mere variant of an existing design.

The defendant stated that their packaging bore their brand name 'Dabur' conspicuously which was enough to distinguish its products from the plaintiffs'. They further contended that the plaintiffs cannot seek action against passing off as they do not have proprietary rights over the features of the soap bar. The features in question were the colour of the bar, the smell, colour of the packaging, and the taglines, etc. Since the marks or the features were descriptive, they cannot be monopolized by the plaintiffs. The defendant added that a registered label does not imply rights in the descriptive marks it contains. Upon a perusal of the products available in the market, it was added that the green colour of the packaging and orange colour of the soap bars was common hence no exclusivity or distinctiveness could be claimed.



Competitors' products as shown in the Court's order

The decision:

The court narrowed the matter to two major issues:

1. Whether the defendant has been successful in challenging the credibility of the plaintiffs' registered design?
2. Whether the defendant has attempted to pass off their goods as those belonging to the plaintiffs by using a similar trade dress for the same product?

After a thorough hearing of all the contentions, the court compared the prior known design registrations with the parties and the trade dress of both the parties. Upon a perusal of the designs of competitor's products, the court held that the plaintiffs' design registration could be challenged. It was held that the design was neither new nor novel. HUL's design registrations supported the defendant's argument that the plaintiffs' design registrations were not valid. Design registrations made outside India do not nullify the designs registered

within India unless they are specifically registered in India. An exception to this rule is when an application on this behalf is made within 6 months from the date of filing the design registration application in a foreign country which is a part of the inter-governmental organisation. Further, the proprietor of the impugned design registration and the 2009 design were different entities, namely RB Health (US) LLC and Reckitt Benckiser (Overseas) Health Limited, respectively, thereby weakening the plaintiffs' case.

Next, the court adjudged on the count of passing off. The court held that a plaintiff must prove reputation and goodwill in the market; demonstrate dishonesty of the defendant to misrepresent and confuse customers; and that the defendant's fraudulent actions caused huge losses. In this matter, the plaintiff should have proven goodwill and reputation within the territorial jurisdiction of the court.

As evident from the packaging and product of the defendant, it was not proven that the customers could be misled, or the likelihood of confusion could arise.

The plaintiffs' contentions that the defendant had copied its trade dress was debunked by the court. It held that there were several products available in the market which bore the same colour, shape, and smell as that of the plaintiffs. Likewise, the taglines and device displayed on plaintiffs' soap bars were not registered trademarks. The taglines and the devices were used commonly on soap bars and other such household products. Over time, they become synonymous with the class of products and lose distinctiveness. The plaintiffs could not prove their unique association with the impugned design and its features; hence, no IP rights could be enforced over these features at this stage.

The court refused to grant an injunction in favour of the plaintiffs and dismissed the application. The case will be heard again in March 2021.

In Conclusion.

The Court relied on the facts of the case while deciding the issue. The key takeaway from this case is that if the IP owner does not ensure that the ownership is with the same company/legal entity, the rights become jeopardised. Another takeaway from this decision is that the existence of similar designs for the same product in the market can make or break a case. Even after obtaining registration, a manufacturer should be able to prove the novelty of its design to successfully restrain a defendant from using the same. In this regard, it must be noted that competition should not be overlooked while obtaining the design registration. Thus, without a unique and functional design and a clear ownership, an IP holder cannot do much to enforce its proprietary rights.