## IN THE HIGH COURT OF FIJI AT SUVA CIVIL JURISDICTION

## HBC No.: 128 of 2015

<u>BETWEEN</u>	:	MCPHERSON'S CONSUMER PRODUCTS PTY LTD a corporation duly incorporated in Australia and having its registered office is at 105 Vanessa Street, Kingsgrove, NSW 2008, Australia
		<b>PLAINTIFF</b>
AND	:	USHA LAL T/A ISHWAR INDUSTRIES of Lot 18 Nayala Sub-Division, Nausori t/a Ishwar Industries
		DEFENDANT
Counsel	:	Mr. J Apted for the Plaintiff
		Mr. K Singh for the Defendant
Date of Hearing	:	27 May, 2015
Date of Judgment	:	17 July, 2015

# **JUDGMENT**

## **INTRODUCTION**

1. The Plaintiff is an overseas company and carries on the business of supplying, health and household consumer goods to, including to Fiji. The product in issue is a therapeutic massage sandal having a trade mark "MASEUR", and this product is imported and sold in Fiji by the Plaintiff. The product is sold in a cardboard carton which contains descriptions about the product and its health related advantages. The Defendant also imports a massage sandal under "Diamond" trade mark. The allegation is relating to the similarities of the Defendant's carton and the previous carton of the Plaintiff. The Plaintiff claims copyright in terms of Section 109(2) of the Copyright Act 1999 for the descriptions contained in the get up and also for graphical illustrations. There is also a

claim for passing off and also under Commerce Decree for misleading and deceptive conduct. The Plaintiff also seeks injunction in terms of Section 145(1) of the Commerce Commission Decree 2010 restraining relating, to the commercial get up of the Defendant's therapeutic sandal, under trade mark "Diamond". At the same time the Plaintiff is also seeking an injunctive relief against the sale of massage sandal traded under "Diamond" trade mark.

## FACTS

- 2. The Plaintiff is the owner of trade mark "MASEUR" and accordingly branded get up which contained certain graphical illustrations along with the description of the massage sandal. The allegation against the Defendant is mainly regarding to previous get up of the Plaintiff.
- The Plaintiff has been selling "MASEUR" branded therapeutic massage sandals in Fiji. The said sandals are sold in two models and they are 'Invigorating' model and 'Gentle' model.
- 4. The Plaintiff claims that they were selling sandals since 1987 through its predecessors, who owned the intellectual property rights relating to the **trade mark** and copyright relating to descriptions and graphical illustrations, contained in the carton.
- 5. The Defendant had imported and distributed a massage/therapeutic sandal under the trade mark "Diamond". The get up of the same product has some similarities with the get up of the Plaintiff's previous get up relating to the pictorial illustrations and also for descriptions about the product.
- 6. The Plaintiff is claiming copyright for the previous get up and state that get up of the Defendant's "Diamond" branded therapeutic massage sandal has violated its copyright and also state that this is a misleading and deceptive conduct under Commerce Commission Decree.

- 7. The statement of claim states the promotional text contained in the get up is a literary work and the dimensions, layout, colour, letter style, positioning of photographs, positioning of word blocks, logos and images comprised of an artistic work in terms of the Copyright Act 1999.
- 8. The Plaintiff claims copyright for the get up in terms of Section 17(1) and 18(2)(a) of the Copyright Act 1999 and infringement of the said right by the Defendant's get up.
- 9. The Defendant has also used the words Fiji's "Original Massage Sandal" and according to the Plaintiff this is a misleading representation in contravention of Section 75 and 83(1) and 77 of the Commerce Commission Decree 2010.
- The Plaintiff's get up was designed in Australia and Australia is a signatory to the Berne Convention thus a foreign country for the purpose of Section18 (2) of the Copyright Act 1999.
- 11. The Plaintiff also claims that the Defendant's abovementioned conduct has passed off and continuing the infringement of passing off.
- 12. The Defendants deny the existence of copyright relating to the contents of the get up and also denies authorship. It also states that, that the sandal is exhibited in the store without the get up hence there is no deception.

## ANALYSIS

13. The Plaintiff and the Defendant are both involved in the selling of therapeutic massage sandals in Fiji. The Plaintiff claims that its product has gained a considerable reputation in the massage sandals in Fiji under the trade mark "MASEUR". The Defendant is also importing, distributing and also selling massage sandals in Fiji under its trade mark "Diamond". The Defendant is presumably a new entrant to the massage sandal market in Fiji.

- 14. The two trademarks used by the parties are distinct and there is no allegation of passing off in this regard, but the allegation is regarding the commercial get up. Commercial get up is often a matter for litigation between the business rivals. (See <u>Reckitt and Colman</u> <u>Products Ltd v Borden Inc and others</u> [1990] 1 All ER 873)
- 15. As in most instances, the first impression counts and the first contact between a consumer and the product is often its commercial get up. This is increasingly important in unaided sales outlets. So get up is an important, integral part of the total customer experience with a product from the time prior to the purchase of the product.
- 16. Even in the case of a thing like sandal the get up may play an important role in marketing. The therapeutic massage sandal is not an ordinary sandal as claimed by the merchants in their respective descriptions contained in their cartons where the products are packed. The Plaintiff claims copyright to the description, graphical illustrations as well as to the total designing of the get up. There is also a claim for passing off contained in the statement of defence.

# **Passing Off**

## 17. In <u>Reckitt and Colman Products Ltd v Borden Inc and others</u> (supra) it was held

'Although your Lordships were referred in the course of the argument to a large number of reported cases, this is not a branch of the law in which reference to other cases is of any real assistance except analogically. It has been observed more than once that the questions which arise are, in general, questions of fact' (emphasis is mine)

18. The Plaintiff submitted number of authorities but I do not intend to deal with each and every case submitted for obvious reasons.

# 19. In <u>Reckitt and Colman Products Ltd v Borden Inc and others</u> (supra) at p 880 it was held,

'The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. **First**, he must establish a goodwill or reputation attached to the goods or services which he supplies in the

mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the *plaintiff.* ' (emphasis added)

- 20. In regard to the first requirement stated above, the Plaintiff needs to demonstrate goodwill or reputation attached to its massage sandal and identifying that with the get up. It should be noted that the Plaintiff has abandoned its previous get up and such a thing would not have been done if the get up was very closely associated with their massage sandal. In any event there is undisputed evidence that the Plaintiff and its predecessors were in engaged in the sale of massage sandal from 1987 and the commercial get up has not changed its shape, though colour and design has changed over the time.
- 21. The Defendant's "Diamond" brand sandals are also packed in get up that has some similarities with the previous get up of the Plaintiff. One striking similarity is the colour, of the get up and the selection of colour shades and their usage in the get up. From the evidence presented to the court through affidavits there are undisputed evidence that the 'Diamond' branded sandal get up has some similarities to the Plaintiff's previous get up. In this instance the court has to make an assessment from the material available to the court, as injunctive reliefs are discretionary and urgent.
- 22. The similarities in the two get ups are the colour shades and the placing of the picture sandal in the get up and its size and the descriptions of the product. The front part of the

get up is strikingly similar as both have same colour and identical wards in the identical manner in bold "INVIGORATING" AND "ENERGISING MASSAGE". Apart from these striking similarities there is bold word 'NEW' printed on red splashed background and small letters stating 'Comfortable straps for increased comfort'. I would not be found wrong if I say that front part of the get up of the Defendant's Diamond sandal and the Plaintiff's previous get up, except the bottom dark blue background where two distinctive trademarks were printed, are close. Unless both products are kept side by side and or a person who request the product by its brand name and closely examine the front of cartons, there is likelihood of one get up to be mistaken for the other.

- 23. Apart from the front of the carton even on the back similar or identical graphical illustrations as to the values and benefits of the products are depicted. Again even on the back side the Defendant had prominently displayed its name and the address with the Defendant's name written in Red and blue, which is not found in the Plaintiff's carton.
- 24. As regards to the damage, the Plaintiff has indicated that their sales have declined in the recent past. Apart from that it one customer has complained that he was deceived by the Defendant's product. This type of hearsay evidence needs to be accepted with caution. Even regarding survey evidence there are important findings in <u>Reckitt and Colman</u> <u>Products Ltd v Borden Inc and others</u> (supra) p881 and I do not wish to quote the same here as this is not the trial and I need not evaluate the conflicting evidence.
- 25. In <u>Reckitt and Colman Products Ltd v Borden Inc and others</u> (supra) at p884 held Well, of course you cannot any more than you can claim a monopoly in the sale of dimpled bottles. The deception alleged lies not in the sale of the plastic lemons or the dimpled bottles, but in the sale of lemon juice or whisky, as the case may be, in containers so fashioned as to suggest that the juice or the whisky emanates from the source with which the containers of those particular configurations have become associated in the public mind: see John Haig & Co Ltd v Forth Blending Co Ltd 1954 SC 35.
- 26. There is no monopoly over the massage sandals in Fiji to the Plaintiff only because it claimed to be in the market since 1987. The product monopoly is granted

under intellectual property regime for patent holder and there is no such claim for patent or design of the product claimed by the Plaintiff. The Defendant is not prevented from fair competition in the market for massage sandals.

27. It should also be noted there cannot be passing off relating to the descriptions and or contents in the carton, but these needs to be tested at trial, as held in *Reckitt and Colman* 

Products Ltd v Borden Inc and others (supra) p 885 as follows:

'There is no 'property' in the accepted sense of the word in a get-up. Confusion resulting from the lawful right of another trader to employ as indicative of the nature of his goods terms which are common to the trade gives rise to no cause of action. The application by a trader to his goods of an accepted trade description or of ordinary English terms may give rise to confusion. It probably will do so where previously another trader was the only person in the market dealing in those goods, for a public which knows only of A will be prone to assume that any similar goods emanate from A. But there can be no cause of action in passing off simply because there will have been no misrepresentation. So the application to the defendants' goods of ordinary English terms such as 'cellular clothing' (Cellular Clothing Co Ltd v Maxton & Murray [1899] AC 326) or 'office cleaning' (Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd (1946) 63 RPC 39) or the use of descriptive expressions or slogans in general use such as 'Chicago pizza' (My Kinda Town Ltd v Soll [1983] RPC 407) cannot entitle a plaintiff to relief simply because he has used the same or similar terms as descriptive of his own goods and has been the only person previously to employ that description.

#### Further held, at 885

'Every case depends on its own peculiar facts. For instance, even a purely descriptive term consisting of perfectly ordi-nary English words may, by a course of dealing over many years, become so associated with a particular trader that it acquires a secondary meaning such that it may properly be said to be descriptive of that trader's goods and of his goods alone, as in Reddaway v Banham [1896] AC 199, [1895-9] All ER Rep 133

28. So any words common to trade, or science cannot create passing off. If so this would create some advantage position to trader and hinder competition as the new entrants could not use the usual terms for description of their products. In this event there will not be a passing off relating to the words used even if that is similar unless the usage of

such words are not commonly used in the massage sandal trade or the use of such words have become associated with the Plaintiff.

#### Copyright

- 29. The Plaintiff is claiming that the descriptive words contained in the carton of the massage sandal is a literary work and the graphical illustrations associated with the descriptions and the get up are an artistic work. The descriptions are the health advantages of using a massage sandal and graphical illustrations also deals with that. Whether the words used in simple language to describe a product and its benefits could be considered as a literary work in terms of Section 2(1) of the Copyright Act 1999 is a novel argument. Though a table or compilation could be considered as literary work in terms of the definition of Copyright Act 1999, it is not clear to whether a description in a label or carton could attach such attributes to be considered as copyright material. If the words used are commonly used in the trade involved it is difficult to claim as literary work. What is protected is some effort by the creator of that as in the case of table or compilation. Every kind of table and compilation would not qualify for copyright as that is not the purpose of copyright.
- 30. In terms of Section 2(1) of the Copyright Act 1999, "artistic work" means a graphic work irrespective of artistic quality. The issue is application of the same to the graphical illustrations contained in the carton.

#### **Misleading or Deceptive Conduct**

31. The Commerce Commission Decree 2010 Sections 75 and 83(1) deals with the 'misleading and deceptive conduct' and state that no one should engage in conduct that is misleading and deceptive. The Section 83(1) deals with manufacturing process, the characteristics, the suitability for their purpose or quality of the products and creates a criminal offence. The Section 77 of the Commerce Commission Decree 2010 defines the instances of 'False or Misleading Representation' and any contravention of that creates an offence.

#### **Application of Law for injunction**

- 32. The law relating to grant of injunction are found in <u>American Cyanamid Co v Ethicon</u> <u>Ltd</u> - [1975] 1 All ER 504 and first the petitioner has to establish a serious question to be tried and if so next issue is whether damages an adequate remedy and if not where the balance of convenience lie.
- 33. The above test cannot be applied mechanically though it was meant to create some uniformity and predictability in the exercise of the court's discretion in relation to the injunction. The grant of injunction is discretionary. Lord Diplock himself explained his judgment in <u>American Cyanamid Co v Ethicon Ltd</u> [1975] 1 All ER 504 in the case of <u>N W L Ltd v Woods; N W L Ltd v Nelson and another</u> [1979] 3 All ER 614 in the following manner at p 625

'My Lords, when properly understood, there is in my view nothing in the decision of this House in American Cyanamid Co v Ethicon Ltd to suggest that in considering whether or not to grant an interlocutory injunction the judge ought not to give full weight to all the practical realities of the situation to which the injunction will apply. American Cyanamid Co v Ethicon Ltd, which enjoins the judge on an application for an interlocutory injunction to direct his attention to the balance of convenience as soon as he has satisfied himself that there is a serious question to be tried, was not dealing with a case in which the grant or refusal of an injunction at that stage would, in effect, dispose of the action finally in favour of whichever party was successful in the application, because there would be nothing left on which it was in the unsuccessful party's interest to proceed to trial......

34. Lord Diplock in the said case distinguished cases where there is less likelihood of proceeding to trial after obtaining the interlocutory injunction at the commencement. His lordship further elaborated on this issue as follows; <u>N W L Ltd v Woods; N W L Ltd v</u>

<u>Nelson and another [1979]</u> 3 All ER 614 at 625-626

'Cases of this kind are exceptional, but when they do occur they bring into the balance of convenience an important additional element. In assessing whether what is compendiously called the balance of convenience lies in granting or refusing interlocutory injunctions in actions between parties of undoubted solvency the judge is engaged in weighing the respective risks that injustice may result from his deciding one way rather than the other at a stage when the evidence is incomplete. On the one hand there is

the risk that if the interlocutory injunction is refused but the plaintiff succeeds in establishing at the trial his legal right for the protection of which the injunction had been sought he may in the meantime have suffered harm and inconvenience for which an award of money can provide no adequate recompense. On the other hand there is the risk that if the interlocutory injunction is granted but the plaintiff fails at the trial the defendant may in the meantime have suffered harm and inconvenience which is similarly irrecompensable. The nature and degree of harm and inconvenience that are likely to be sustained in these two events by the defendant and the plaintiff respectively in consequence of the grant or the refusal of the injunction are generally sufficiently disproportionate to bring down, by themselves, the balance on one side or the other; and this is what I understand to be the thrust of the decision of this House in American Cyanamid Co v Ethicon Ltd. Where, however, the grant or refusal of the interlocutory injunction will have the practical effect of putting an end to the action because the harm that will have been already caused to the losing party by its grant or its refusal is complete and of a kind for which money cannot constitute any worthwhile recompense, the degree of likelihood that the plaintiff would have succeeded in establishing his right to an injunction if the action had gone to trial is a factor to be brought into the balance by the judge in weighing the risks that injustice may result from his deciding the application one way rather than the other. '(emphasis added)

- 35. In dealing with passing off case in New Zealand Court of Appeal in <u>Harvest Bakeries</u> <u>Ltd v Klissers Farmhouse Bakeries Ltd</u> [1985] 2 NZLR 129 it was emphasized the over mechanical application of <u>American Cyanmid</u>. It was also stated in passing off actions the interim injunctions were often easily obtained by this over emphasizing on tests contained in <u>American Cyanmid</u> and it had effects of putting an end to litigation. This New Zealand case was applied in Fiji Court of Appeal in <u>Air Pacific Ltd v Air Fiji</u> <u>Ltd</u> [2006] FJCA 63; ABU0066U.2006S (10 November 2006).
- 36. In <u>Air Pacific Ltd v Air Fiji Ltd</u> (supra) at page 24 it was further held

'However as the High Court of New Zealand has said, the establishment of a serious issue is not a step to be brushed over lightly: "It is not sufficient for a plaintiff just to say there is tenable cause of action from legal point of view, and a conflict of evidence of facts'

- 37. If one examined the present summons seeking interim injunction, it is worded in such a manner that it would also put an end to the litigation. While alleging passing off and deceptive conduct due to the commercial get up the injunctive orders are sought to prevent sale of Defendant's Diamond brand Sandal. I would deal the orders sought in detail.
- 38. The summons for interlocutory injunction sought following orders
  - A. An interlocutory injunction under section 109(2) of the Copyright Act 1999 restraining the Defendant, whether by herself, her employees or agents or otherwise, from infringing the Plaintiff's copyright in the Copyright Works (as defined in paragraph 21 of the Statement of Claim herein), and from:
    - (i) importing any packaging that reproduces a substantial part of the **Copyright Works**;
    - selling, offering or exposing for sale, or exhibiting in public by way of promotion, any item in any packaging or other material that reproduces a substantial part of the Copyright Works;
    - (iii) importing or dealing with in trade, distributing or offering for sale any products which have a get up which is identical or confusingly similar to the Plaintiff's Maseur Get-Up (as defined in paragraph 37 of the Statement of Claim herein); and/or
    - (iv) advertising products which have a get-up identical or confusingly similar to the Plaintiff's Maseur Get-up in any medium, including on all social media channels.
  - B. An interlocutory injunction restraining the Defendant, whether by herself, her employees or agents or otherwise, from passing off or attempting to pass off massage sandals of the Plaintiff's manufacture as and for the Plaintiff's massage sandals by importing or dealing with in trade, distributing or offering for sale;
    - (i) Diamond Massage Sandals (as defined in paragraph 29 (a) of the Statement of Claim herein) whether packaged in the Infringing Packaging (as defined in paragraph 29(a) of the Statement of Claim herein) or otherwise

- *(ii)* any goods packaged in the Infringing Packaging; and/or
- (iii) any product which has a get-up that is identical or <u>confusingly similar to</u> the Plaintiff's Maseur Get-up.
- C. An interlocutory injunction under Section 145 of the Commerce Commission Decree 2010 restraining the Defendant, whether by herself, her employees or agents otherwise, from importing or dealing with in trade, distributing or offering for sale Diamond Massage Sandals, goods contained in the Infringing Packaging or any product which have a get-up that is identical or confusingly similar to the Plaintiff's Maseur Get-up. (emphasis added)
- 39. The order A(i) seeks the court to declare that the commercial get up has acquired copyrighted status. This is what the court has to determine at the trial and cannot be decided at interlocutory stage. The court cannot declare the existence of copyright examining the affidavits. The burden of proof is with the Plaintiff to prove such an intellectual property right in their commercial get up. I have not been even submitted a case where such copyright was recognized either in Fiji or anywhere else.
- 40. The claim for contents in a commercial get up relating to a product that has health benefits is a novel argument. Any drug or health related product needs to describe its benefits and perhaps even side effects to customer and whether such details attach copyright is an issue that needs to be dealt at trial. In any event declaration of such right as stated in the summons would end this litigation except as to any damages. Apart from the descriptions there are some graphical illustrations and the Plaintiff is claiming copyright for that.
- 41. The Fiji Court of Appeal in <u>Natural Waters of Viti Ltd v Crystal Clear Mineral Water</u> (*Fiji*) <u>Ltd</u> [2004] FJCA 59; ABU0011.2004S & ABU0011A.2004S (decided on 26 November 2004)(unreported) it was commented on the nature of the injunction that was granted by the lower court held as follows

"Before turning to consider the grounds of appeal, we raise the form of the injunction as sought and granted. In our view it is unacceptably imprecise. It is well understood that a mandatory injunction must be expressed in such a form that the person against whom it is granted knows exactly in fact what he has to do (Redland Bricks Ltd v. Morris [1970] AC 652; [1969] 2 All ER 576). Certitude is no less important when the injunction sought is prohibitory.

In <u>O'Sullivan v. Mt. Albert Borough</u> [1968] NZLR 1099, 1109 the New Zealand Court of Appeal approved the following dictum from an earlier case:

"Now the first duty of the Court in granting an injunction is to lay down a clear and definite rule. If the language of the order in which the injunction is contained be itself ambiguous uncertain, indefinite, giving no clear rule of conduct, that injunction becomes a snare to the defendant, who violates it, if at all, at the peril of imprisonment. The Court therefore should, in granting an injunction, see that the language of its order is such as to render quite plain what it permits and what it prohibits."

- 42. The above finding can be applied to the orders sought by the Plaintiff. Any order for injunction needs to be clear and precise as possible to prevent any ambiguity to the party refrained from doing a particular act. In *Natural Waters of Viti Ltd v Crystal Clear* <u>Mineral Water (Fiji) Ltd</u> (supra) there were specific get ups that were dealt and orders were issued.
- 43. As stated earlier in this judgment the similarities in the present get up of the Defendant's Diamond brand massage sandal and the previous get up of the Plaintiff's massage sandal raises a serious issue of law relating to passing off. The colour and its shades are similar and even the words contained in the front part of the carton are similar except the trade mark. A careful consumer may not be misled but that is not the test to be applied in passing off. See <u>Reckitt and Colman Products Ltd v Borden Inc and others</u> (supra)
- 44. In the circumstances next issue is the damages. Obviously, the damages would not be an adequate remedy as it would be very difficult to access the damages in a passing off action like this. The balance of convenience also favours the granting of injunction preventing the commercial get up used by the Defendant. The Defendant states that the sandals are not sold in containers and if so by changing its appearance in the carton would not harm its sales and any extra expense in the change of design can easily be

accounted, hence damage to Defendant is assessable and the Plaintiff is able to pay it considering the facts relating to the financial status of the Plaintiff.

45. The overall justice also favours granting injunction relating to the get up of the Defendant that may mislead a consumer and if the person is not satisfied with Defendant's product there will be damage to the good will of the Plaintiff that is difficult to assess.

## FINAL ORDERS

- a. An interlocutory injunction restraining the Defendant, whether by herself, her employees or agents or otherwise, **from using its current commercial get up** (that is more fully described in the statement of claim and also in the affidavit in support of the summons seeking interlocutory injunction) **in any manner** whatsoever including, the sale, distribution, importation or advertising in any manner including social and electronic and digital media, of any item including 'Diamond' massage sandal.
- b. The cost of this application will be cost in the cause.
- c. The matter to be mentioned before the Master for directions.

Dated at Suva this 17<sup>th</sup> day of July, 2015.



**Justice Dee** Amaratunga High Court, Suva