

IN THE HIGH COURT OF FIJI AT SUVA

CENTRAL JURISDICTION

CIVIL JURISDICTION

HBC 52 of 2024

BETWEEN:

PAYLESS SHOES PTE LTD

PLAINTIFF/APPLICANT

AND:

DELUXE FOOTWEAR PTE LTD

DEFENDANT/RESPONDENT

Date of Hearing : 23 February 2024

For the Plaintiff/Applicant: Mr Prasad. D

Date of Decision: 27 February 2024

Before: Levaci SLTTW, J

R U L I N G

(EX-PARTE APPLICATION FOR INTERIM INJUNCTION QUIA TIMET)

Background

1.0 The Plaintiff/Applicant had filed an ex-parte application seeking interim injunction (*quia timet*) against the Defendant/Respondents. Together with an ex-parte application was a Writ of Summons indorsed with a Claim for passing off against the Plaintiff/Applicants registered trademark sandals known as “CEBO as it is also in breach of section 79 of the Trademarks Act 2021 and Section 75,76,77 and 79 of the Competition and Consumer Commission Act 2010”.

2.0 The Orders sought by the Plaintiff/Applicant is as follows:

“(a) THAT the Defendant, its servants or agents be restrained forthwith from selling fake footwear under the brand name CEBO as it misleads the general public to that of the Plaintiffs footwear under the registered trade mark Number 51697 ‘CEBO’.

(b) THAT the Defendant its servants or agents be ordered to remove all fake footwear under the registered name CEBO which misleads the general public to that of the brand name CEBO as it breaches section 75,76,77 and 79 of the Fijian Competition and Consumer Commission Act 2010.

(c) THAT the Defendant its servants or agents be ordered to remove all footwear under the registered name CEBO which misleads the general public to that of the brand name CEBO as it breaches Section 79 of the Trademark Act 2021 and action as constituted as passing off.

(d) THAT the Defendant, its servants or agents be restrained from distributing the footwear under the registered name CEBO brand in Fiji.”

Application for injunction

3.0 The Plaintiff/Applicant relies upon his Affidavit which states as follows –

‘2. THAT my Company is the registered proprietor of the trade mark under the name CEBO. Exhibited herein and marked as **ANNEXURE A** is a copy of the trade mark certificate.

3. THAT my Company has been distributing footwear under the brand name CEBO since 2004 throughout Fiji and have established a good customer base in Fiji and the South Pacific.

4. THAT Cebo shoes are all sandals which comes in 5 different designs and manufactured by a Company in China especially for my Company. The stitching needles for CEBO sandals was given to be from a company called Prabos Plus A.S who was the original manufacturer of the said sandals from then Czech Republic. Exhibited herein and marked a Annexure B is a copy of the trade mark certificate No. 119 of 2007 which was assigned to my Company on about 4th June 2015.

5. THAT the trade mark CEBO was then renewed in 2021 for a further 14 years details of which are in Annexure A herein.

7. THAT my Company has been dealing with the Defendant for several years and have been distributing CEBO sandals to its shop for retail and all times the directors of the Defendant knew that the CEBO was trade marked by my Company and that its sandals were the original CEBO sandals.

8. THAT back in 2009 the Defendant did attempt to sell sandals under the name SEBO and on or about 9th January 2009 Diven Prasad Lawyers who then acted for Prabo Plus A.S issued notice of breach of trade mark. Exhibited herein and marked as Annexure C is a copy of the letter.

9. THAT the Defendant Company then stopped selling sandals under the name SEBO after legal action was taken against another Company Ishwar Industries for breach of trade mark and passing off. Exhibited herein and marked as Annexure D is a copy of the Judgment which was in my company's favour.

12. THAT I visited Defendant's shop in Lautoka on 15th January 2024 which is at 68 Naviti Street, Lautoka and installed new display stand for all CEBO sandals. Exhibited herein and marked as Annexure E is a photograph of the new display stand.

13. THAT whilst the Defendant's Lautoka shop I noticed that one CEBO sandal in particular had the "getup" CEBO slightly different and that made me have closer examination upon which I found that the Defendant was selling sandals under the brand name CEBO which was not genuine and passing off my registered intellectual property.

14. THAT I purchased the fake CEBO sandal from all of the Defendants 2 shops in Nadi, 1 in Lautoka, 1 in Nakasi, 1 from Mark Street, Suva and 1 from Renwick Road, Suva. Exhibited herein and marked as Annexure F are copies of the receipts.

28. THAT the Defendant chose to copy sandal shown in Annexure 1 page 1 as this is a design most common sandals for school children and the Defendant knowing its popularity has made substantial gain in profits by selling fakes to people of Fiji portraying that it is genuine CEBO sandal.

30. THAT I enquired with the factory I have engaged China to manufacture all CEBO sandals and he confirmed that it did not come from its factory as the design pattern, needles for the stitching was supplied by me. The Defendant to make fake CEBO sandals had to find a factory to copy from the original pattern and off course as annexed in this affidavit there is a vast difference in quality and leather used. Exhibited herein and marked as Annexure J is a copy of the letter from Yangzhou S-You International Inc.

33. THAT the actions of the Defendant by falsely representing that the shoes are of a particular standard, quality, grade, composition, style and model and have a particular history of its use in Fiji is fraudulent in that he is selling CEBO sandals at a price leading public to believe that it is genuine CEBO sandals.

34. THAT it is a clear breach of section 79 of the Trademark Act 2021 and Fijian Competition and Consumer Commission 2010 and also the actions of the

Defendant amount to passing off since its product will mislead customers to buy CEBO sandals.

38. THAT I am authorized on behalf of the Plaintiff and also, I am in the position to give undertaking as to damages in order to obtain injunction to stop the Defendant from selling footwear products under the name CEBO.”

Order 29 Rule 1 of the High Court Rules for Injunctive Reliefs for quia timet

4.0 Order 29 r 1 of the High Court Rules 1988 prescribes the procedure for an application for Injunction stipulates:

‘1 (1) An application for the grant of an injunction maybe made by any party to a cause or matter before or after trial of the cause or matter, whether or not a claim for the injunction was included in the party’s writ, originating summons, counterclaim or third party notice, as the case may be.

(2) Where the applicant is the plaintiff and the case is one of urgency such application may be made ex-parte on affidavit but, except as aforesaid, such application must be made by motion or summons.

(3) The plaintiff may not make such an application before the issue of the writ or originating summons by which the cause or matter is to be begun except where the case is one of urgency, and in the case the injunction applied for may be granted on terms providing for the issue of Writ of Summons and such other terms, if any, the Court thinks fit.’

5.0 When considering an application for interlocutory injunction made ex-parte, the Court is guided by the tests laid down by the House of Lords in the American Cynamid Co -v- Ethicon Ltd [1975] A.C 396; [1975] 2 W.L.R 316, HL for which the Courts discretion must be exercised. In that case the initial questions are:

(i) is there a serious question to be tried;

(ii) would damages be an adequate remedy for a party by the Courts grant or failure to grant injunction and

(ii) where does the balance of convenience lie.

6.0 The key principles identified in case of American Cynamid (Supra) summaries in the ‘Supreme Court Practice 1999’ (Sweet and Maxwell, London, 1998) pg 565 para 29/L/3 states –

(i) evidences have not been tested by oral examination are only tendered on Affidavit;

(ii) the grant of the remedy is discretionary and temporary;

(iii) it is not the courts function to resolve conflicts of evidence on affidavit as to facts on which claims of either party may ultimately depend upon nor to determine serious questions of law for detailed argument;

(iv) where an application for injunction is to restrain a defendant from doing acts alleged to be in violation of the plaintiffs legal rights contested on facts the granting of the injunction is to be taken when the existence of the right or violation of the right is uncertain and will remain until final judgment;

(v) To mitigate injustice during uncertainty when granting interlocutory injunction

(vi) subject to undertakings to pay damages to the defendant sustained by reason of the injunction if it is shown at trial that the Plaintiff was not entitled to injunction

(vii) the objective of seeking injunction is to protect the plaintiff from injury by violation of his right for which could not be adequately compensated in damages recoverable in the action of uncertainty where resolved in his favor at trial; the plaintiffs need for protection is weighed against the corresponding need of the defendant to be protected against injury

(viii) the claim is not frivolous or vexatious and there is a serious question to be tried;

(ix) On evidence satisfying the court by both parties at a hearing on the application of the Applicant, on a balance of probabilities that the act of the other party, may, on a balance of convenience, violate the Applicants rights.

(x) there must be available on materials placed before the Court at hearing, that the plaintiff has a real prospect of succeeding in his claim for permanent injunction at trial, the court should then consider the balance of convenience to grant or refuse an interlocutory relief.'

7.0 In Siskina -v- Distos S.A (1979) AC.210 p 256 Diplock LJ held that a-

'ancillary and incidental to the pre-existing cause of action, (and) dependent upon there being pre-existing cause of action against the Defendant arising out of an invasion, actual or threatened by him, of a legal or equitable right of the plaintiff.'
(underlining my emphasis)

Analysis and Determination

8.0 The Plaintiff/Applicant has sort for an interim injunction against Defendant from selling their product sandal and passing off the product as a CEBO brand.

9.0 The Court finds from the Statement of Claim and the Affidavit in support that the issues contested are serious questions to be tried by the Court and are not frivolous or vexatious.

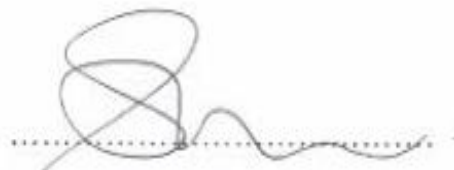
- 10.0 The Court considered whether damages was an adequate remedy. The claim for damages and loss of business are not articulated in the indorsement but will be done so in the Statement of Claim. However such damages will not be able to adequately remedy the continuous alleged breach. Hence the imposition of an interim injunction is necessary.
- 11.0 There is no permanent restraint sort in the Writ of Summons. Hence the Court exercises its discretion to impose a restraint against the Defendants.
- 12.0 The third consideration is whether there are undertakings as to damages. Apart from a paragraph, there are no materials before the Court to show that the Plaintiff/Applicant can satisfy the Court as to the undertakings it is capable of offering. The Court is not satisfied that there is sufficient undertakings in case there are damages sustained by the Defendants as a result of the interlocutory injunction.
- 13.0 The Fourth consideration is whether there is an arguable case. From the Affidavit filed and case precedences, the Applicant/Plaintiff argues there is an arguable case given the get up of the current sandal striking similar when seen from afar from the CEBO brand and also contains the same brand on the sole of the sandals. The Court finds there is an arguable case.
- 14.0 The last consideration is where the balance of convenience lies. The Court must carefully weigh out the 2nd Defendant/Respondents power to exercise their right of sale as opposed to the Plaintiff/Applicants rights to retention of the status quo.
- 15.0 In the case of Sanjay Parmar t/a Payless Shoes and Prabho Plus A.S -v- Usha Lal t/a Ishwar Industries HBC 31 of 2008 Singh J held that:
[12] I conclude that the similarity in the name is likely to cause confusion in the minds of the reasonable purchasers. The cheaper the product of the defendant could elbow the Plaintiff out of the market together. I do not believe the damages would be adequate remedy. The extent of damages may be very difficult to prove.
[13] I grant injunction but limited to the name only. The orders I propose to make will not prevent the defendant from trading in sandals as any such prevention could affect the livelihood of the defendant. The orders I make are directed at the prime source of deception and confusion it may cause to the customer. I also grant the defendant sufficient time as she can comply with the orders”.
- 16.0 In this instance the materials show that the name used for the Sandal by the Defendant are alleged to be similar but also the getup of the product sandal itself is alleged similar in make and style. The Plaintiff/Applicant has indicated all the parts of the sandal that are different in mark and make to the Plaintiff/Applicant’s CEBO brand.
- 17.0 At trial this will be verified in evidence.

- 18.0 On a balance of probabilities, it is in the interest of justice to impose an interlocutory injunction in order to enable the status quo to remain i.e stopping the sale of the sandal branded as CEBO owned and sold by the Defendant solely which is confirmed by the Plaintiff/Applicant is not theirs.
- 19.0 The Court finds that the Plaintiff/Applicant has satisfied the Court that an interlocutory injunction should be imposed.

Orders

20.0 **The Court orders as follows:**

- (i) **The application for interlocutory injunction is granted and the Defendant, his agents or servants and employees are stopped from selling the footwear under the name CEBO which are not owned by the Applicant/Plaintiff;**
- (ii) **The Defendant to remove all footwear under the name of CEBO in their possession;**
- (iii) **Costs in the cause.**



Justice SLTTW-Levaci

27.2.24

