

Ferrero awarded Rs1 million in damages for infringement of Ferrero Rocher trade dress

India - Nishith Desai Associates

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Counterfeiting
Confusion
Trade dress
Dilution
Infringement
Passing off
Enforcement

- ▮ **Court issued permanent injunction preventing defendant from selling lookalikes of Ferrero Rocher chocolates**
- ▮ **Court declared that plaintiff's mark and trade dress are well-known trademarks**
- ▮ **Plaintiff was awarded monetary damages of Rs1 million**

The High Court of Delhi, in an *ex parte* order dated April 2 2018, has granted Ferrero Spa a permanent injunction against Ruchi International (*Ferrero Spa v M/s Ruchi International* (CS(COMM) 76/2018)). This order was a reaffirmation of the well-known status granted to the FERRERO ROCHER mark in India via an order dated March 13 2014 in *Ferrero Spa v Raj Baid*.

Background

Plaintiff Ferrero Spa is an Italian confectionery giant which is part of the Ferrero Group, founded in 1946. It is ranked amongst the biggest four confectionery producers in the world. The plaintiff was also listed as the most reputable company in the world by the Reputation Institute Survey of 2009 and as reported by the *Economist* and *Forbes Magazine*.

The plaintiff conducts business in India through Ferrero India Private Limited. Although the Indian entity was incorporated only in 2008, the plaintiff's products were sold on the Indian market much earlier. Further, the plaintiff's Ferrero Rocher products have been available in India for a considerable length of time and enjoy a formidable consumer base, "who swear by the chocolates' uniqueness of taste, as well as their distinct visual appeal".

The plaintiff has secured numerous trademark registrations in India and worldwide for its FERRERO ROCHER mark and the other elements making up its mark - ie, the trade dress. The plaintiff has been extremely vigilant in protecting its rights in the mark and trade dress across the world; as a consequence, judicial forums worldwide, including in India, have recognised and enforced the plaintiff's rights in the mark and trade dress on several occasions and granted the plaintiff relief against third parties.

Ruchi International (the first defendant) is an importer and marketer of chocolates in India under the brand name Golden Passion, which are lookalikes of the plaintiff's Ferrero Rocher chocolates, sold under the FERRERO ROCHER mark and trade dress. These chocolates are manufactured and exported from China by the second defendant under the brand Golden Passion.

During the pendency of the suit, the first defendant settled the matter amicably with the plaintiff. A compromise decree was passed by the High Court of Delhi in an order dated May 26 2016, and the suit proceeded *ex parte* against the second defendant.

Plaintiff's arguments

The plaintiff contended as follows:

1. The Golden Passion chocolates manufactured by the second defendant were lookalikes of the plaintiff's chocolates sold under the brand name Ferrero Rocher.
2. The plaintiff's trade dress, including the label, shape and other characteristic features of the Ferrero Rocher packaging, satisfied the criteria for being recognised as well known under Section 11(6) of the Trademarks Act 1999.
3. The chocolate products sold by the second defendant and the packaging in which these products are sold are identical to the well-known and distinctive packaging in which the plaintiff's chocolates are sold under the plaintiff's mark. Such misuse by the second defendant of identical and/or deceptively similar trademarks and trade dress created a mistaken impression in the minds of consumers that:
 1. the defendant's product/services emanated from the plaintiff;
 2. the defendant was a permitted and authorised user of the plaintiff's mark; and
 3. there was a nexus between the defendant and the plaintiff.
4. In its interim order dated March 26 2014, the court had recognised the similarity between the plaintiff's mark and trade dress and the defendants' packaging. Thus, with the intention of preventing the plaintiff's mark and trade dress from being diluted, the court had already restrained the defendants from manufacturing, selling, advertising and dealing in the impugned chocolate products,

or from imitating the plaintiff's packaging, colour combination, layout and get-up in any way which led to the infringement of the plaintiff's trademark or trade dress for identical goods.

5. Despite being aware of the interim order, the second defendant continued to sell its chocolate products in India by using an identical/deceptively similar trade dress under the brand name Golden Passion. Further, the second defendant continued to sell numerous other products under the brand name Rowansa and as a part of the Golden Series of chocolates. These products are also lookalikes of the plaintiff's chocolates. Thus, the second defendant had caused and would continue to cause irreparable damage and loss to the plaintiff's business.
6. The impugned mark, which forms part of the trading name of the second defendant, infringed the rights of the plaintiff under Section 29(5) of the act.
7. The adoption of such mark by the second defendant was in bad faith, calculated to take advantage of the reputation and goodwill earned by the plaintiff's mark and trade dress. Such acts by the defendant were bound to cause confusion and deception, therefore amounting to passing off.

Defendant's arguments

The defendant did not contest the suit and the court proceeded to decide the matter *ex parte*.

Judgment

The court, while relying on the evidence submitted by the plaintiff, passed an order:

1. declaring that the plaintiff's mark and trade dress are well-known trademarks within the meaning of the act; and
2. acknowledging that the sale of counterfeit products bearing a mark and trade dress deceptively similar to those of the plaintiff amounted to passing off, as there was no explicit authorisation by, or affiliation with, the plaintiff.

The court also issued a permanent injunction against the defendants, including their partners, proprietors, principal officers and agents, restraining them from trading in any manner in products that are lookalikes of the plaintiff's Ferrero Rocher chocolates in a way that would lead to:

1. infringement the plaintiff's mark and trade dress;
2. passing off of their goods as those of the plaintiff;
3. dilution of the plaintiff's trademark and trade dress; and
4. unfair competition on the part of the defendant *vis-à-vis* the plaintiff's rights and business.

Further, the plaintiff was awarded monetary damages of Rs1 million, and a decree was passed against the second defendant on account of infringing the registered mark and trade dress, and violating the interim order.

Lastly, the plaintiff was also entitled to interest of 10% per annum on the damages awarded from the date of filing of the suit up to the date of realisation. The proportionate costs of the suit were also awarded to the plaintiff.

Puja Saha and Pooja Kapadia, Nishith Desai Associates, Mumbai