

CASE COMMENT: CHRISTIAN LOUBOUTIN SAS V. ABUBAKER & ORS.

*R. PARTHASARATHY**

A Single Judge of the Hon'ble Delhi High Court, *vide* order dated May 25, 2019,¹ summarily dismissed a suit for trademark infringement and passing off, at the admission stage, on the ground that no legal cause of action was made out by the plaintiff, as use of a single colour does not qualify as a mark/trademark under Section 2(m)² and Section 2(zb)³ of the Trademarks Act, 1999 (hereinafter referred to as "the Act").

I. FACTS

The plaintiff company, Christian Louboutin SAS, pleaded that it was the owner of the registered trademarks "RED SOLE" under registration numbers 1922048, 2341890 and 2341891. The mark was a shade of the colour red applied to the soles of ladies' footwear manufactured by the plaintiff.

The suit was initiated by the plaintiff as the defendants were using a shade of colour red on the soles of their ladies' footwear, thereby allegedly infringing the registered trademarks of the plaintiff and passing off their goods as that of the plaintiff. The plaintiff also prayed for a decree against the defendants and a grant of Rs.1,00,00,000/- as damages for loss of sales, reputation and goodwill of the plaintiff's trademarks caused by the unauthorized activities of the defendants.

II. CONTENTIONS OF THE PLAINTIFF

The plaintiff contended that it held exclusive ownership over the registered trademarks "RED SOLE", which is not a word-mark, rather a shade of the color red applied to the soles of ladies' footwear manufactured by the plaintiff. It was further contended by the plaintiff that the defendant No. 3 "M/S Veronica" was owned by defendant number 1 & 2, and they were carrying out their business from two outlets

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¹ Christian Louboutin SAS v Abubaker & Others, 2018 SCC OnLine Del 9185 : (2018) 250 DLT 475.

² S. 2(m), The Trademarks Act, (1999).

³ S. 2(zb), The Trademarks Act, (1999).

located in Mumbai. Defendant number 1 & 2 were using the “RED SOLE” manufactured by them without the permission or authorization from the plaintiff. Thus, the defendants infringed the plaintiff’s registered rights, and were therefore liable to be enjoined, and pay damages.

When the matter was listed for admission and issue of summons to the defendants, the Court was of the view that no legal cause of action was made out as per the averments of the plaint. Hence, the plaint was liable to be rejected, and the court was not inclined to issue a notice to the defendants. However, the plaintiff placed reliance on the judgment of the Division Bench in the case of *Bright Enterprise Pvt. Ltd. & Anr. v. MJ Bizcraft LLP & Anr.*,⁴ and pleaded that a commercial suit cannot be dismissed at the preliminary stage by the court without issuing notice to the defendant. In terms of Section 16⁵ of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 the CPC, 1908 has been amended in so far as it applies to a commercial dispute of a specified value. Accordingly, Order XIII-A has been inserted. Order XIII-A deals with summary judgment. Rule 2 of the abovementioned act provides that an applicant may apply for summary judgment at any time after service of summons on the defendant but before issues are framed in the suit. Rule 4 of the same deals with the procedure therefore and provides for giving at least 30 days’ notice to the respondent who has a right to file a reply. Therefore, in view of the above, it was submitted that the suit cannot be dismissed at the admission stage without issue of notice to the defendant.

The plaintiff further relied upon the judgment of the Appeals Court of USA in the case of *Qualitex Co. v. Jacobson Products Co., Inc.*,⁶ pleading that a single colour is recognized and awarded trademark status in USA and the same is entitled to trademark protection in India.

The plaintiff also placed reliance on the judgment in the case of *Deere & Company & Anr. v. Mr. Malkit Singh & Ors.*,⁷ for showing that a single colour is entitled to

⁴ *Bright Enterprise Pvt. Ltd. & Anr. v MJ Bizcraft LLP & Anr.*, 2016 SCC OnLine 4421.

⁵ S. 16, The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, (2015).

⁶ *Qualitex Co. v Jacobson Products Co. Inc.*, 1995 SCC OnLine US SC 28 : 514 US 159 (1995).

⁷ *Deere & Company & Anr. v Mr. Malkit Singh & Ors.*, 2018 SCC OnLine Del 8527.

protection as a trademark and on the judgment of co-ordinate bench of the Delhi High Court in the case of *Christian Louboutin SAS v. Mr. Pawan Kumar & Ors.*,⁸ wherein the Learned Single Judge had passed a decree in favour of the plaintiff, by holding that the plaintiff was entitled to exclusive ownership of the trademark of red colour on the soles of its ladies' footwear.

The plaintiff further relied upon Sections 31 and 32 of the Act⁹ to argue that distinctiveness can be achieved by use of the trademark even if distinctiveness did not exist at the time of registration, and if distinctiveness is acquired for the trademark because of its use in relation to the goods for which the trademark is registered, then such a trademark cannot be declared as invalid. Further, the issue of distinctiveness is an issue that can be tried, and the same can be decided only during the course of trial in the suit.

The plaintiff also claimed the RED SOLE to be a device mark. The plaintiff also argued that under Section 10(2) of the Trade Marks Act, a single colour would also qualify as a trademark.

III. DECISION BY THE SINGLE JUDGE

The Court observed that the judgment of *Bright Enterprise Pvt. Ltd. & Anr. v. MJ Bizcraft LLP & Anr.*¹⁰ was not applicable in the present situation as the court in that case was dealing with Order XIII-A¹¹ of Civil Procedure Code and not Order XII Rule 6.¹² Since there was no legal cause of action, the present suit lacked merit and was not maintainable. Accordingly, under Order XII Rule 6 of CPC, the court has the power to dismiss the suit, without even issuing summons in the suit. Order XII Rule 6 deals with the power of the court to make an order of give judgment having regard to admissions made in the pleadings or otherwise, whether orally or in writing. It is pertinent to note that admission presupposes notice to the other party, for without both parties, there cannot be admissions on fact.

Further, the court also noted that there was no legal cause of action as there was no

⁸ *Christian Louboutin SAS v Mr. Pawan Kumar & Ors.*, 2017 SCC OnLine Del 12173.

⁹ The Trademarks Act, (1999).

¹⁰ *Supra*, note 4.

¹¹ Order XIII-A, Civil Procedure Code, (1908).

¹² Order XII, Rule 6, Civil Procedure Code, (1908).

valid trademark. It was observed that on a combined reading of Section 2(m) and Section 2(zb), a trademark means a mark including “combination of colours”. Thus, “combination of colours” is a *sine qua non*, and hence a single colour would not fall within the definition of a mark and cannot be claimed as a trademark.

The court distinguished the US judgment in *Qualitex Co. v. Jacobson Products Co., Inc.*¹³ stating that under the Trade Marks Act of USA, there was no prohibition in using a single colour as a trademark, and hence the said judgment was as per the laws of the US. In India, the legislature has mandated that a trademark must be a combination of colours, and hence a single colour cannot be adopted as a trademark. Thus, the said US judgment cannot be applied in the present case.

The court further placed reliance on *N. Bhargavan Pillai (Dead) by Lrs. and Another v. State of Kerala*,¹⁴ and stated that if a judgment passed by a court did not consider the direct provision of law, then the said judgment would have no binding effect. In light of the above- mentioned judgment, the Court observed that the judgments delivered in the cases of *Deere & Company & Anr. v. Mr. Malkit Singh & Ors.*,¹⁵ and *Christian Louboutin SAS v. Mr. Pawan Kumar & Ors.*,¹⁶ did not have any binding effect since they did not deal with the issue of using a single colour as a mark under the provisions of Trade Marks Act. Further, the Court held that in these judgments, the overriding provision of Section 30 (2)(a)¹⁷ was not discussed, and hence the same will not be binding.

The court was, however, of the view that the plaintiff was *prima facie* justified in raising arguments based on the provisions of the Act, that even if there was an absolute bar for registration of a trademark, if distinctiveness is achieved by using a trademark which ought not to have been registered as a trademark, then such a trademark on achieving distinctiveness, will become a valid trademark, and its registration cannot be cancelled. However, the court held that the said argument also does not hold good as the *sine qua non* of the definition of mark has to be complied with first.

¹³ *Supra*, note 5.

¹⁴ *N. Bhargavan Pillai v State of Kerala*, 2005 SCC (Cri) 142 : 2004 Cri LJ 2494 : AIR 2004 SC 2317.

¹⁵ *Supra*, note 6.

¹⁶ *Supra*, note 7.

¹⁷ *Supra*, note 9.

The court further held that by simply applying a single colour to the sole of a footwear it would not result in the single-coloured sole as a device, as Section 10(2) has to be read in light of Section 10(1) which uses the expression “combination of colours”.

The judgment is extensively based upon the mandate of the supervening provision of Section 30 (2)(a) of the Act which contains the limitations of the effect of a registered trademark and held that a single colour applied to the goods would in normal circumstances pertain to the characteristic of the goods which is a feature of the product and hence a non-trademark function and thus, cannot be prevented from being used by other sellers in the market for their goods, even though the same is registered. Thus, in such circumstances, there would be no infringement.

Lastly, for passing off, it was held that no question of any deception and confusion arose as the defendants were selling their goods under word mark ‘VERONICA’ which was completely different from the plaintiff’s word mark ‘CHRISTIAN LOUBOUTIN’. Accordingly, the suit was dismissed for want of legal cause of action.

IV. COMMENTS

This is perhaps the first Order/Judgment invoking Order XII, Rule 6 of the Civil Procedure Code, 1908, for dismissing a suit at the admission stage in a Trademark case even without issue of notice to the defendant/respondent. In all other cases involving Order XII Rule 6, it appears that it is only after notice to the defendants and after the defendants had joined the proceedings that the issue of admissions by either party had been raised and judgment on the basis of such admissions have been rendered.

In invoking Order XII, Rule 6, the Learned Judge had gone by the definition of “Mark” in Section 2(m) and “Trademark” in Section 2(zb). In addition, the Learned Judge has also relied on Section 10 & 30 (2)(a).

The plaintiff had relied on the judgment of the Division Bench of Delhi High Court in the case of *Bright Enterprises Pvt. Ltd.* However, the Learned Judge had distinguished this case on the basis that the said judgment was dealing with Order XIII-A of the CPC and not with Order XII, Rule 6. It is true that the decision in *Bright Enterprises* was a

case under Order XIII-A wherein a suit was dismissed without issuing summons to the defendants. The Division Bench held that the Learned Single Judge could not have dismissed the suit invoking Order XIII-A without issue of summons and without an application being filed by the respondents for a Summary Judgment.

Order XII relates to “Admissions”. Rule 6 thereunder, deals with the situation where a court may make such order or judgment as it may think fit, having regard to the admissions in the pleadings or otherwise. A perusal of the context of Order XII shows that it deals with admissions by any party to a suit. In this case, since the summons had not been issued to the defendants, the only admission on which Order XII, Rule 6 could be based is admission, if any, in the plaint. There is, obviously, no admission anywhere in the plaint that the impugned trademarks have been admitted to be not “Marks” or “Trademarks” as defined in Section 2(m) read with Section 2(zb) because the mark was a single colour mark, or that even if it was barred under section 9, it had acquired a distinctive character as a result of the use made of it.

Of course, there was a prayer in the plaint for recognizing it as a well-known trade mark. For, if such an admission were to be present in the pleading, the question of filing the plaint itself would not arise. Therefore, invoking Order XII, Rule 6 would appear to be incorrect and prima facie, open to challenge, and has been challenged before the division bench.

In Para 7 of the judgment, the Learned Judge had extracted Sections 2(m) and Section 2(zb). A discussion on these two definitions is at Para 8. The Learned Judge held that before a mark would become a trademark, it must be a “mark” which falls within the definition of Section 2(m). The Learned Judge then went on to conclude that the definition of “mark” uses the expression “combination of colours” with or without its combination with other ingredients like device, brand, label, ticket etc. Combination of colours is *sine qua non*, meaning thereby that obviously one single colour cannot be a mark. The Learned Judge accordingly held that a single colour cannot, under any circumstance, be given the benefit of an exclusively owned trademark.

The Learned Judge appears to have not noticed the word “includes” in Section 2(m). According to Section 2(m) “mark” **includes** a device,..., **combination of colours**, or.....thereof. This inclusive definition has not been noticed and dealt with. It

appears from the judgment that there was no submission by the plaintiff on the effect of the word “includes” in the said definition. Similarly, Section 2(zb) which defines trademark, also uses the words “**may include...combination of colours...**”.

There is no doubt that the definition of the two terms-“mark” and “trademark” are not exhaustive definitions. The general principle is that where a word is defined in an inclusive manner, the definition is prima facie extensive. So, the inclusion of “combination of colours” in the inclusive definition of “mark” cannot be prima-facie interpreted as excluding a single colour. The interpretation of the word “includes” and “may include” in these two sections is bound to be a major issue in the appeal before the Division Bench. While it is known that this judgment has been appealed against, the specific grounds taken are not known.

In this regard, the decision of the Hon’ble Supreme Court in the case of *Ramala Sahkari Chini mills Ltd. v. Commissioner of Central Excise Meerut-I*,¹⁸ may be adverted to, where it has been held that the term ‘includes’ is generally used to expand the scope of the preceding terms. It is by way of extension and not with restriction.

Similarly, the Hon’ble Supreme Court in the case of *Regional Director, Employees’ State Insurance Corporation v High Land Coffee Works*,¹⁹ observed as under:

“The word ‘include’ in the statutory definition is generally used to enlarge the meaning of the preceding words and it is by way of extension, and not with restriction. The word ‘include’ is generally used in interpretation clauses in order to enlarge the meaning of words or phrases occurring in the body of the statute; and when it is so used, these words or phrases must be construed as comprehending, not only such things as they signify according to their natural import but also those things which the interpretation clause declares that they shall include.”

The Learned Single Judge has also distinguished the judgment in the case of the same plaintiff with another defendant Pawan Kumar on the ground that the said judgment

¹⁸ *Ramala Sahkari Chini Mills Ltd. v Commissioner of Central Excise Meerut-I*, 2016 (334) E.L.T. 3 (S.C.).

¹⁹ *Regional Director, Employees’ State Insurance Corporation v High Land Coffee Works*, (1991) 3 SCC 617 and 618.

did not consider the definitions in Sections 2(m) and 2(zb). It is true that in the decision dated 12.12.2017 involving Mr. Pawan Kumar and others as defendants despite service, no one appeared for defendants 1 to 3. Defendant Nos. 4 and 5 had filed their Written Statements but they also did not appear and all the defendants were proceeded ex-parte.

The Learned Single Judge had also distinguished the judgment in *M/s. Deere & Co.*, on the same grounds. In addition to noting that sections 2(m) and 2(zb) have not been considered in the above two decisions, the Judge observed that these decisions will not have a binding effect because the overriding provision of section 30 (2)(a) has also not been discussed in these two judgments.

It may also be noted that another Learned Judge of the Hon'ble Delhi High Court in the case of *Marico Ltd. v Mukesh Kumar & Ors.*²⁰ had held in paragraph 57, following the case of *Colgate Palmolive Co. v Anchor Health and Beauty Care Pvt. Ltd.*,²¹ that "another Coordinate Bench of this Court has held that colour in a trade dress can be so significant that in some cases even single colour can be taken to be a trademark..."

It may also be of interest to note the decision of the European Court of Justice ('ECJ') in *Christian Louboutin v Van Haren Schoenen BV*.²² This decision did not deal with the issue of whether a single colour can be a mark/trademark but rather whether it consists exclusively of the shape of the product under Art 3 (1) (e) (iii) of Directive 2008/95/EC. The ECJ held that a sign consisting of a colour applied to the sole of a high-heeled shoe does not consist exclusively of a 'shape' within the meaning of that provision. The ECJ's decision is, therefore, not of much assistance here.

The Learned Single Judge had also relied on Section 30 (2)(a), for dismissing the suit at the admission stage, which reads as follows:

30 (2) A REGISTERED TRADE MARK IS NOT INFRINGED WHERE –

²⁰ *Marico Ltd. v Mukesh Kumar & Others*, 2018 SCC OnLine Del 10823.

²¹ *Colgate Palmolive Co. v Anchor Health and Beauty Care Pvt. Ltd.*, 2003 SCC OnLine Del 1005.

²² *Christian Louboutin v Van Haren Schoenen BV*, ECLI:EU:C:2018:423 dated 12 June 2018.

- (a) *The use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services,*

This section postulates that the use of a registered trade mark in relation to goods, inter-alia, to indicate the characteristics of the goods, is not an infringement. This aspect has been dealt with in Para 19 of the judgment. The Learned Judge had held that the characteristic(s) of the goods will include such functional aspects of the goods which would give an appeal or look to the product/goods. The Learned Judge went on to add that the red colour is applied for the purpose of appeal or for the look of the goods and hence it is a function which is non- trademark, and hence the use thereof by any other person would be covered under the exception. This is also relatively virgin territory, unlike other sub-sections of Section 30 where there exists body of case law. The Learned Judge concluded, "Without any material on record, the colour is only for appeal or looks."

The Learned Judge had, therefore held that while by virtue of Proviso to Section 9 (1) and Section 32 the plaintiff can claim to be the owner of the trademark having red colour applied to the soles of the shoes, but by virtue of Section 30 (2)(a), other manufacturers/sellers are not prohibited from using the colour red on their footwear if the colour is serving a non-trademark function.

The Ld. Judge also negated the argument of the plaintiff that a single colour can be a trademark under section 10 (2) on the ground it has to be read in the context of section 10 (1) which uses the expression "combination of colours", an expression used in the definitions of both "mark" and "trademark".

These are very important aspects which could be decided only in a trial, based on evidence to be led by the parties to the suit. The conclusion that the application of a single colour is for the purpose of appeal or looks and has a non-trademark function, is on the basis of the Learned Judge's view despite, prima-facie, agreeing with the plaintiff that even if the said mark is liable to be rejected under Section 9 dealing with absolute grounds for refusal of registration, it is still possible that a single colour is capable of acquiring distinctiveness, which is a triable issue. The negation is also on the ground that a single colour can never be a mark, and hence a trade mark.

Therefore, a lot will depend on the appeal before the Division Bench on the inclusive definition of the two important terms “mark” and “trade mark”. In addition, the dismissal of the suit under Order XII, Rule 6, in limine, will also be an important point which is likely to go to the Hon’ble Supreme Court in case the Division Bench upholds the order of the Learned Single Judge.

This is an important judgment, wherein the Court examined the presence of a valid trade mark at the admission stage, before going into the issue of infringement. This is also the first judgment in India, which dealt with the issue of single colour being used as a trademark which has also held that the colour was used as a characteristic feature of the goods, i.e. serving a non-trademark purpose and hence would not be considered as an infringement.

On February 06, 2019, the Respondents entered appearance in the appeal before the Division Bench and requested for a short accommodation. While granting the same, the Division Bench ordered that the impugned judgment (May 25, 2018) of the learned Single Judge shall not be relied upon in other proceedings concerning Christian Louboutin i.e. the appellant. The order of February 06, 2019 was made absolute during the pendency of the proceedings on February 26, 2019, while disposing the appellant’s application for stay of the Learned Single Judge’s order. However, the Division bench of the Delhi HC by its order dated April 11, 2019 set aside the SJ order on the ground that admission under Order XII Rule 6 CPC could not have been adjudicated on the first date of hearing and that the SJ ought to have referred the matter to a larger bench since there was a contradictory SJ order.