

IN THE HIGH COURT OF FIJI

AT SUVA

CIVIL JURISDICTION

CIVIL ACTION NO.: HBC 31 OF 2008

BETWEEN:

SANJAY PARMAR T/A PAYLESS SHOES

*First Plaintiff*

PRABO PLUS A.S.

*Second Plaintiff*

A N D:

USHA LAL T/A ISHWAR INDUSTRIES

*Defendant*

Mr. D. Prasad for Plaintiff

Mr. D. Sharma with Mr. R. Nand for Defendant

Date of Hearing: 2<sup>nd</sup> and 27<sup>th</sup> May 2008

Date of Ruling: 6<sup>th</sup> June 2008

## DECISION

### Background:

[1] On 31<sup>st</sup> January, 2008 the plaintiff filed an endorsement of claim seeking certain reliefs as follows :

*“(a) That the defendant be restrained forthwith from selling footwear under the name “SEABO” (as it misleads general public to that of the plaintiff’s footwear under the brand name ĆEBO);*

- (b) *That the defendant be ordered to remove all footwear under the name "SEABO" (which misleads the general public to that of the brand name CEBO as it breaches Section 54 of the Fair Trading Decree) in that it falsely represent that the goods are CEBO with different name;*
- (c) *An order restraining the defendant from distributing the footwear under the name SEABO which implicates that it is a CEBO brand with different name in Fiji."*

On the same day he filed an inter-parte motion supported by an affidavit seeking the same orders. One is hardly likely to make an order in the terms as sought. Orders do not contain reasons. However, a court can mould the orders so that the reasons are excluded. In that way injustice can be avoided. If a party satisfies a court that the orders sought are justified, then to refuse orders on a mere technicality would be unjust as a repeat application would be met with a plea of res judicata.

- [2] CEBO sandals are manufactured in the Czech Republic. These sandals have been distributed in Fiji since 1963. Since 2004 the plaintiff's company Payless shoes has been distributing Cebo sandals in Fiji. The manufacturers of Cebo sandals Prabo Plus A.S. have also registered 'Cebo' trade mark in Fiji on 22<sup>nd</sup> February 2007.
- [3] The plaintiff alleges that in December 2007 he learnt that the defendant had been distributing footwear in Fiji under the brand name "SEABO" with similar patterns to Cebo sandals. He claims that this is a breach of trade mark and is a case of passing off. The plaintiff alleges that CEBO brand sandals are popular among school students and adults as it is long lasting. The plaintiff is seeking orders to prevent the defendant from distributing sandals called SEABO with patterns similar to that of CEBO.

- [4] The defendant in her affidavit in reply states that she imports SEABO brand sandals from India since 2005. These sandals she says were designed in India. She has applied for registration of trade mark SEABO which is pending. She says that CEBO and SEABO are distinct names and the designs in which logos are printed are different. She also says that the price of the two brands is different. She says that the plaintiff only imports 4,000 pairs of sandals and the market in Fiji for sandals is quite substantial. This fact is disputed by the plaintiff as he alleges in his affidavit that he has imported more than 10,000 Cebo footwear since the distribution right was given to him.

**Passing off:**

- [5] The cause of action upon which the plaintiff is relying is passing off and breach of trade mark. To establish an arguable case in passing off the plaintiff has to show some form of misrepresentation be it express or implied that the shoes which the defendant retails or sells are in some way connected to plaintiff's shoe business and as a result of this damage is likely to result to the plaintiff. The primary objective of a trade mark is to guarantee the origin of goods from a named source. If that function of the trade mark is to be protected, then the trade mark owner should be able to prevent unauthorized use of his trade mark to prevent confusion in the minds of the buyers that there is some commercial connection or link between the trade mark owner and that other person or corporation.
- [6] The first question is: Is there a serious issue to be tried, that is, whether the defendant's shoes deceive or are likely to deceive members of the public into buying the defendant's products believing that they are the plaintiff's product. Before I can grant the interlocutory injunction I must be satisfied that there is likelihood of such confusion occurring so that at the end of the day after trial and after cross examination of witnesses they are likely to obtain a permanent injunction. In considering the application

before me I have to look at both the similarities and dissimilarities in the two products.

**The similarities and dissimilarities:**

- a) Name: These in fact are different in spelling. The plaintiff's product is CEBO while the defendant's product is SEABO. One need not be a linguistic expert to realize that the pronunciation of the two names is identical even though Mr. Sharma tried to put the accent on 'A' in Seabo. People buy goods by name. They go to a shop and call a product by name. They do not write out a name for the storekeeper to read. There are still people in Fiji who do not read English and would not realize the difference. Such a person if recommended a CEBO sandal could end up buying a SEABO and vice versa. To these people the difference in spelling would mean nothing. They will not know the difference in spelling. They will go back happily thinking they got what they intended.
- b) The Get up - Distinguishing marks: The plaintiff's sandals have the name CEBO printed inside a circle on the sole of the sandal. The defendant's sandals carry the word SEABO printed inside an outline which often one sees on school badges in Fiji with the words GENUINE LEATHER printed just outside the outline. The defendant's sandals do not show the country of origin of the shoes even though the defendant stated that they were manufactured in India. She attached no dockets to substantiate their origin to India. The plaintiff's sandals also have words "MADE IN CZECH REPUBLIC" printed outside the circle. The leather of black SEABO sandals shines more than the plaintiff's. The buckles of the two though similar in size and shape are different in colour. The leather patterns of the sandals are strikingly similar.
- c) Price: The defendant's sandals retail at \$69.90 per pair while the plaintiff's sandals sell for \$95.00 and \$140.00 per pair. Therefore

there is quite a price difference between the two brands. However, sandals are not akin to newspapers or bread which one buys daily and knows the price of. Sandals may last for years and possibility of one recalling its price remote. A first time buyer would have no idea of the price of CEBO or SEABO. Hence one is not going to be surprised if he asked for CEBO and was given a SEABO for \$69.90 or even for a higher price.

- d) Packaging: The Cebo sandals are packed in a cardboard box like most shoes while Mr. Sharma showed a reddish cloth bag for packing of the SEABO sandals. The packaging is an insignificant matter. Packaging is done after the sale not before it. Shoes are sold by display.

#### **The Law of Passing off – Interim Injunctions:**

- [7] Counsels have referred me to numerous authorities which have been helpful. The defendant's submission at paragraph 24 which I produce verbatim set out the law.

*"In Chung Exports Ltd v. Food Processors (Fiji) Ltd [2003] FJHC 271; (31 March 2003) Justice Pathik stated :*

*A similar view was expressed by McCarthy P. while delivering the judgment of the Court of Appeal in Northern Drivers Union v. Kawau Island Ferries Ltd [(1974) 2 NZLR 61] when he said:*

*The purpose of an interim injunction is to preserve the status quo until the dispute has been disposed of o a full hearing. That being the position, it is not necessary that the Court should have to find a case which entitle the applicant to relief in all events: it is quite sufficient if it finds one which shows that there*

*is a substantial question to be investigated and that matters ought to be preserved in status quo until the essential dispute can be finally resolved ..."* (Ibid, 620).

*It is always a matter of discretion, and .... the Court will take into consideration the balance of convenience to the parties and the nature of the injury which the defendant, on the one hand, would suffer if the injunction was granted .... and that which the plaintiff, on the other hand, might sustain if the injunction was refused ...."* (Ibid, 621).

*In considering whether to grant an interim injunction the factors which ought to be considered are :*

- (a) *is there a serious question to be tried,*
- (b) *is damages an adequate remedy, and*
- (c) *where does the balance of convenience lie?*

*This is a "passing off" action and an interim injunction is sought. What is "passing off"? It is an actionable wrong for a trader so to conduct his business as to lead to the belief that his goods or business are the goods or business of another. This wrong is known as "passing-off". It is immaterial whether the fatal representation, as to goods or business, involved in passing-off, is made expressly by words, or impliedly, by the use or imitation of a mark, trade name or get-up with which the goods of another are associated in the minds of the public. (Clerk & Lindsell on Torts, 11<sup>th</sup> Ed. P. 990 para. 1698)."*



**Analysis:**

- [8] One thing stands out in these proceedings and that is the identical pronunciation of names of the two brands and remarkable similarity in the sandal patterns. Mr. Prasad stated that the patterns are special to Cebo but there is no evidence of it before me. At these stage of proceedings I cannot envisage if sandals can have infinite variety of patterns. I leave that for the trial. At the same time I am aware that in cases of passing off, the grant or refusal of interlocutory injunction very often disposes off the matter and parties do not proceed further.
- [9] My provisional view is that the name is likely to confuse, and together with the overall general appearance of the two sandals, it is reasonably foreseeable consequence that the plaintiff's business will be damaged.
- [10] However I am also mindful that the purchase of a sandal is not a casual transaction like buying a soft drink or a pound of butter. It is a serious business. People generally look at shoes very closely before they buy. They try them on and see if they fit and are comfortable. The law of passing off is concerned with a reasonably observant consumer and not with an unobservant moron in a hurry.
- [11] At the end of the day passing off is concerned with ensuring a system of undistorted competition free of confusion. The consumer too should be able to choose from a variety of products. This would ensure not only the interests of the trade mark owner because the customers can be sure about the origin of products but at the same time enjoy the benefits which result from competition between a range of products from different sources capable of meeting the same need.

**Conclusion:**

- [12] I conclude the similarity in name is likely to cause confusion in the minds of reasonable purchasers. The cheaper product of the defendant could elbow the plaintiff out of market altogether. I do not believe the damages

would be adequate remedy. The extent of damages may be very difficult to prove.

[13] I grant the 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 so she can comply with my orders.

**Orders:**

[14] I therefore make the following interlocutory orders. Within seven (7) days of the service of this order :

- (a) the defendant is to stop by herself, her servants, agents or employees from selling footwear under the name SEABO;
- (b) the defendant is to remove all footwear under the name SEABO;
- (c) immediately on service of the order that the defendant is to stop distributing the footwear under the name SEABO to retailers for resale.



[Jiten Singh]

JUDGE

At Suva

6<sup>th</sup> June 2008