

Nestle and ITC spat over Magical Masala noodles

Nestle and ITC jostled over use of the term 'Magical Masala' at Chennai High Court. ITC Limited (ITC) sued Nestle India Limited (Nestle) based on their prior rights in the mark MAGIC MASALA for Noodles. ITC sought an injunction to restrain Nestle from passing off their noodles by use of the mark MAGICAL MASALA or any mark similar to ITC's mark MAGIC MASALA.

ITC in their suit contended that:

- a) They are one of India's foremost Private Sector Companies and rated among India's top 500 largest Corporations by Fortune Magazine during two consecutive years 2010 and 2011, and among Asia's 'Fab 50' by Forbes Magazine in 2012.
- b) Their branded packaged foods business is one of the fastest growing businesses in India and their popular brands include - Aashirvaad, Sunfeast, Bingo!, Kitchens of India, Mint-O, Candyman, Yippee!, etc.
- c) In 2010, they entered the Indian instant noodles market with Sunfeast Yippee! in two variants, viz., I) Yippee! Magic Masala and II) Classic Masala, and the products are available in the market since their launch.
- d) In order to protect its valuable rights ITC applied for registration of its composite label, Magic Masala and the same is pending registration.
- e) Owing to its excellent quality, long, continuous and extensive use, Magic Masala has become distinctive of, has acquired a secondary meaning and is immediately identified by the trade and public with the noodles manufactured and marketed by the ITC alone and none else.
- f) In the month of March 2013, ITC came to know that Nestle has launched instant noodles under an identical and/or deceptively similar trade mark "Magical Masala", in respect of identical product, viz., instant noodles.
- g) ITC alleged that Nestle sells its instant noodles in many variants, and therefore, there was no need for them to adopt an identical and/or deceptively similar mark Magical Masala.
- h) ITC is the prior adopter and user of the mark "Magic Masala" with respect to instant noodles and has been using the same since the year, 2010 on an extensive scale and therefore Nestle's use of an identical and/or deceptively similar mark "Magical Masala", would amount to dilution and passing off.

Nestle contested the suit and countered raising the following arguments:

- a) Use of the expression "Magical Masala" by Nestle falls within the permitted use, as it is used to indicate the character, quality or kind of the product.
- b) Passing off action is not maintainable as Nestle has used the expression "Magical Masala", as flavor descriptor to its Maggi brand noodles.

- c) Nestle's product is sold under the trade mark 'Maggi' which is a leading brand in the noodles segment and the word Magical Masala, is a flavor descriptor and is a laudatory and descriptive epithet, which lauds the spicy characteristics and quality of Masala (spice).
- d) Both parties are selling packaged noodles under their respective brand "Sunfeast ITC Yippee" and "Maggi," which are totally different and also in a packaging which is entirely different, therefore, no question of passing off arises.
- e) The marks, Magical Masala, Magic Masala, Classic Masala, etc., are common expressions, which cannot be the subject matter of proprietary rights by any member of the trade.
- f) Nestle is the prior user of such combinative words as descriptive of the flavor and hence, ITC cannot claim that they are the prior user of the word, "Magic" or "Masala", nor can they claim any prior right in usage of the words "Magic Masala", being a combination of a laudatory English word and a common descriptive Hindi word.

Court Ruling

The primary question before the court was whether the word 'Magic Masala' is distinctive or descriptive?

The Court referred to several case laws and commentaries by various authorities and observed "a term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of the goods, on the other hand a term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods."

Relying on the aforesaid, the Court observed that "Magic Masala" cannot be considered as a descriptive word and imagination is required on the customer's part to get some direct description of the product from the term and therefore it is only suggestive and not descriptive. "Magic Masala" indirectly suggests magical change by consuming the Plaintiff's product and therefore 'Magic' or 'Magical' cannot be considered as descriptive. The court further held that even though the packaging and trade dress of the rival products are different, considering the fact that the word Magic Masala has its distinctiveness and it is not descriptive in nature, ITC is entitled to the relief of injunction.

In view of the above the court restrained Nestle, from using the mark MAGICAL MASALA or any mark similar to ITC's mark MAGIC MASALA or in any other manner whatsoever, pending disposal of the suit.

The press reports suggest that Nestle will Appeal the order. Thus, last word is yet to be written in this "Magical Masala" saga.



Vatika Towers
10th Floor Block-B
Sector-54
Gurgaon-122002
National Capital Region (Haryana)
India

Tel. +91 124 4655999
Fax. +91 124 4045047
Email info@rnaip.com

Copyright © RNA, IP Attorneys