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## Case Comment: Trademark Tussle: Oreo v Fabio - A Case that takes the Cake

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### INTRODUCTION

The right to a safe and healthy environment is increasingly recognised as a fundamental human right globally. Oreo cookies were first introduced by the National Biscuit Company in New York City in 1912, gaining widespread popularity in the United States and eventually in India. Mondelez International launched Oreo cookies in India as CADBURY OREO in March 2011, with the memorable tagline ‘twist, lick, and dunk’. Manufacturers invested considerable creativity in creating a unique product that became well-established in the market over several years. However, a dispute arose when the original design of Oreo cookies and its packaging were allegedly copied by another biscuit company to attract a significant portion of consumers.

The *Intercontinental Great Brands v Parle Products Private Limited*<sup>1</sup> case, therefore, became pivotal in modern trademark law, highlighting the critical need to safeguard brand identity in a highly competitive market. The case emphasises the balance between protecting established

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<sup>1</sup> *Intercontinental Great Brands v Parle Products Private Limited* CS (COMM) 64/2021

trademarks, such as ‘OREO’ and allowing for brand evolution, as seen with Parle’s ‘FAB!O’ product. Given that consumer confusion can easily arise from similar packaging and phonetic resemblances, this case underscores the importance of trademark protection to prevent misrepresentation and maintain fair competition. The outcome of this case has significant implications for businesses and intellectual property law, making it essential to understand its broader impact on consumer perception and brand integrity.

## **BRIEF FACTS**

It is a case of trademark and passing off between the plaintiff, Intercontinental Great Brands (owner of the ‘OREO’ trademark) and the defendant, Parle Products, who brought out a cream-filled chocolate sandwich biscuit under the mark ‘FAB!O’. The plaintiff had pleaded that the defendant's mark, ‘FAB!O’, was deceitfully similar to ‘OREO’, both phonetically as well as in the design of the packaging. Here, the plaintiff made its case and argued that Parle's vanilla cream-filled chocolate sandwich biscuits, in particular a copy of Oreos trade dress, specifically the blue and white packaging of the Oreo biscuit, and consumers would be misled. The defendant responded that ‘FAB!O’ was a natural extension of the existing ‘FAB!’ brand and that no one was being deceived because the ‘Parle’ logo would appear on the front side of the package. The plaintiff filed an action for an injunction restraining the defendant from using the ‘FAB!O’ mark, which it contended infringed the trademark and trade dress of ‘OREO’. Whether there existed such similarity that could amount to trademark infringement or passing off was a question for the court to decide.

## **ISSUES**

1. Whether the use of work FAB!O/FAB!/FABIO by Parle Product Private Limited infringe upon the registered trademarks of Intercontinental Great Brands, specifically the ‘OREO’ brand.
2. Whether it constitutes passing off.

## **RULE**

Infringement occurs under the trademark act<sup>2</sup> when someone copies a registered trademark that is identical or deceptively similar to the registered mark without the permission of the original creator, leading to confusion among the public.

Furthermore, passing off is a common law tort that protects the goodwill of a business from a misrepresentation that could lead to customer confusion. Trade Dress includes packaging design and colour.

Section 2 of the Trade Marks Act 1999<sup>3</sup> defines trade dress as the overall appearance, including graphical representation and unique packaging. Section 9(3) of the same requires a mark to be distinctive, add significant value, and not be a natural form.

## **ANALYSIS**

### **PLAINTIFF'S CONTENTIONS**

#### **The plaintiff alleges several points of infringement and passing off:**

**Phonetic Similarity:** The plaintiff claimed that the FAB! O mark, introduced after 2020, is phonetically similar to their OREO brand, particularly since it is used for vanilla cream-filled chocolate sandwich biscuits, much like OREO, which shows their clear intent<sup>4</sup> to imitate<sup>5</sup>. The defendant's promotional materials, including tweets and other posts, indicated that FAB! O is pronounced 'fab-ee-yo', which closely resembles the pronunciation of OREO. The plaintiff supported this by citing various judgment where the plaintiff was given the right to use the name despite the dissimilarity between the first syllables of the brand<sup>6</sup>.

**Trade Dress Similarity:** The packaging for FAB! O vanilla cream biscuits are deceptively similar to that of OREO biscuits. Both use a blue and white colour scheme and the branding of the name has been arranged similarly, leading to confusion among average intelligence

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<sup>2</sup> Trade Marks Act 1999

<sup>3</sup> Trade Marks Act 1999, s 2

<sup>4</sup> *Munday v Carey* [1905] RPC 273

<sup>5</sup> *Slazenger & Sons v Feltham & Co* [1889] 6 RPC 531

<sup>6</sup> *Amritdhara Pharmacy v Satya Deo Gupta* (1963) 2 SCR 484

consumers<sup>7</sup> and therefore creating initial interest confusion and has the potential to take a significant portion of the consumer base of Oreo.

**Cookie Design Similarity:** The plaintiff argues that the design of the FAB! O biscuit closely resembles that of the OREO biscuit, highlighting several shared features: (i) the outer ridge, (ii) the internal dashes near the circumference, and (iii) the floret-shaped embossing. These design elements are common to both biscuits.

**Passing Off:** The average intelligence consumers may perceive the FAB! O biscuits as being associated with or originating from the plaintiff biscuit, i.e. OREO, due to the similarities in branding and packaging.

## DEFENDANT’S CONTENTIONS

**In response, the defendant raises several defences:**

**Lack of Phonetic Similarity:** The defendant submits that the only common letter between OREO and FAB! O is the letter ‘O’, and since the first syllables of the marks are different<sup>8</sup>, hence phonetic similarity doesn’t exist between them.

**Distinctive Trade Dress:** The trade dress of its packaging is distinct, and the similarities cited by the plaintiff are common<sup>9</sup> in the trade<sup>10</sup>. They provided examples of other biscuit brands such as Good Day, Unibic, Parle Milk Shakti, Patanjali Milk biscuits, and many more, which uses similar packaging features.

**Design Differences:** The defendant contends that the designs of the FAB! O and OREO biscuits are significantly different though both have embossing on the surface and flower design, they are completely different, including the usage of dash signs. Thus, they reject any claims of design infringement.

**No Intent to Deceive:** The defendant submits that incorporating the ‘FAB!O’ mark is an organic progression of their product. Their intent was not malicious but to enhance the value of

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<sup>7</sup> *Colgate Palmolive Co. v Anchor Health and Beauty Care Pvt Ltd.* (2003) 108 DLT 51

<sup>8</sup> *Surya Food and Agro Ltd. v Om Traders* (2019) SCC OnLine Del 8227

<sup>9</sup> *Britannia Industries Ltd. v ITC Ltd* (2017) 240 DLT 156 (DB)

<sup>10</sup> *H.P. Bulmer Ltd. and Showerings Ltd. v J. Bollinger S.A. and Champagne Lanson Pere et Fils* (1978) RPC 79

the already established 'FAB!' brand. The defendant drives the point by pointing to the fact that the branding is distinct since the 'Parle' logo appears seven times on the cover. In contrast, Oreo's connection to Cadbury is mentioned only once and even at a much lower rank. This transition of 'FAB!' to 'FAB!O', they insist, is rather an organic branding and not this pitiful act of imitation or confusion over.

## **COURT'S JUDGEMENT**

In the case *Intercontinental Great Brands v Parle Products Private Limited*, the Hon'ble Court has examined the plaintiff's claim of trademark infringement and passing off relating to Oreo and Fabio brands. The plaintiff, Intercontinental Great Brands, has successfully established its ownership and long-standing reputation of the 'OREO' trademark, which is globally recognised for its cream-filled sandwich biscuits. The plaintiff contended that the defendant's use of the 'FAB!O' mark for a competing product, namely cream-filled chocolate sandwich biscuits, was deceptively similar to 'OREO' in name as well as packaging. The similarities consisted of phonetic resemblance and the colour scheme utilised for the products packaging, which was identical to the blue and white theme used for Oreo vanilla-filled biscuits.

The Court considered the defendant's mark 'FAB!O' and concluded that appending the terminal 'O' to the 'FAB!' mark so existing was meant to produce a sound-alike of 'OREO'. Combined with the similarity of trade dress packaging, this is likely to confuse the mind of a consumer whose recollection is imperfect. While the biscuits were different in design - specifically, owing to the embossing and surface features, which differed in one aspect from the other - the Court concluded that the defendant's intention in approaching the plaintiff's mark was *prima facie* deliberate. The defendant was held to act with the intent to reap the benefits from goodwill and reputation reposed in the Oreo brand name.

The Court granted an interim injunction restraining Parle Products from using the mark 'FAB!O' and the packaging reproduced herein, which are deceptively similar to that of Oreo for their vanilla cream-filled biscuits. It was applied to all future production as well as the unsold stock of the defendant, but no application was made for those items already released in the market. The Court clarified that these findings are *prima facie* and not for implications on the final merits of the case.

## COURT'S JUDGMENT ANALYSIS

**Plaintiff's Registrations:** The plaintiff has multiple registrations for the OREO trademark, covering biscuits, cookies, and other related goods. For instance, the OREO word mark was registered in 1991, and various other related registrations were made over the years, asserting proposed use and user claims.

**Defendant's Registrations:** The defendant holds registrations for the marks FAB and FABIO. The FAB! O mark was introduced specifically for cream-filled chocolate sandwich biscuits, which the plaintiff argues is intended to misuse the goodwill and consumer base of the OREO brand.

The court ruled that for a trademark infringement action to prevail, there should be consumer confusion demonstrated. In the case before it, there is indeed consumer confusion because, as the court suggests, most consumers who are endowed with ordinary intelligence have been deceived by the homophone semblance between 'OREO' and 'FAB!O' accompanied by the nearly identical packaging. The court of appeals found that the defendant intentionally added the terminal 'O' to his mark which was done in imitation of the plaintiff's mark. The court of appeals further found that the trade dress, including colour scheme and general appearance, is so similar that it could cause confusion. Further, the court found that the defendant attempted to use Oreos' goodwill by making deception to consumers.

As such, the court granted an injunction in favour of the applicant and restrained the respondent from making any further use of the 'FABIO' or 'FAB!O' mark in manufacturing, packaging, or selling the vanilla cream-filled chocolate biscuits. This injunction would apply to any stock on hand but not to articles sold.

## PRIOR CASES OF TRADEMARK INFRINGEMENT IN THE BISCUITS INDUSTRY

Intellectual Property Rights disputes are common in India's biscuit industry. In February 2020, Britannia sued Future Consumer<sup>11</sup>, claiming that the packaging for Future Consumer's 'Tasty

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<sup>11</sup> 'Britannia Sues Future Group for trademark infringement saying packaging of tasty treat is deceptively similar to good day biscuits' (*Lawstreet Journal*, 05 February 2020) <[https://lawstreet.co/business/britannia-sues-future-group#:~:text=As%20reported%20on%20Tuesday%20\(Feb%202020\),several%20of%20their%20biscuit%20packaging](https://lawstreet.co/business/britannia-sues-future-group#:~:text=As%20reported%20on%20Tuesday%20(Feb%202020),several%20of%20their%20biscuit%20packaging)> accessed 06 August 2024

Treat' brand was too similar to Britannia's biscuits. Later, in December 2020, Britannia filed a lawsuit against ITC<sup>12</sup> in the Delhi High Court, alleging that the packaging of ITC's Sunfeast Veda Digestive and Sunfeast 5-Seed Digestive biscuits resembled its Nutri Choice Hi-Fibre and Nutri Choice Digestive biscuits. This followed a similar case in 2016, when ITC sued Britannia<sup>13</sup>, claiming that Britannia's Nutrichoice Digestive Zero biscuits copied the packaging of ITC's Sunfeast Farmlite Digestive All Good Biscuit. Despite Britannia's offer to change its packaging colours, the court ruled in favour of ITC and ordered Britannia to stop selling NutriChoice Zero biscuits.

## CONCLUSION

The court's decision in favour of the plaintiff shows the importance of protecting intellectual property rights, particularly trademarks, in the market and the complexities of trademark disputes, especially in the food industry, where brands often compete for consumer attention. The ruling acknowledged the potential for confusion between the defendant's 'FAB!O' mark and the plaintiff's established 'OREO' mark due to their similar sounds, packaging and product types. By prohibiting the defendant from using the disputed trademarks, the court has safeguarded the plaintiff's brand and reduced the risk of average intelligence consumer confusion.

This judgment serves as a reminder for companies to carefully consider the impact of their branding decisions, particularly when introducing new products that may resemble well-known brands. It also highlights the judiciary's role in ensuring fair competition and protecting both business and consumer interests. It further emphasises the 'average consumer' standard, which reflects a critical aspect of trademark law, assessing confusion from the perspective of a typical consumer with imperfect recollection. Companies need to be vigilant about their branding strategies to avoid inadvertently infringing on others' trademarks or creating confusion.

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<sup>12</sup> *ITC Limited v Britannia Industries Ltd.* OSA (CAD) Nos 134-138/2023

<sup>13</sup> 'Britannia Industries v ITC Ltd & Ors - Deceptively Dissimilar?' (*Selvam Selvam*, 05 October 2021)

<<https://selvams.com/blog/britannia-industries-v-itc-ltd-ors-deceptively-dissimilar/>> accessed 06 August 2024