

***IN THE HIGH COURT OF DELHI AT NEW DELHI**

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IA.No.811/2008 and CS(OS) 119/2008

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Date of decision: 22nd May, 2009

BONNY PRODUCTS PVT. LTD.

..... Plaintiff

Through: Mr. Sudhir Chandra, Sr Advocate with
Mr R.L. Dhawan and Mr Sanat Kumar,
Advocates

Versus

BONNE CARE PVT LTD

..... Defendant

Through: Mr Gurvinder Singh and Mr Dhruva
Bhagat, Advocates.

CORAM :-

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. Whether reporters of Local papers may
be allowed to see the judgment? Yes
2. To be referred to the reporter or not? Yes
3. Whether the judgment should be reported
in the Digest? Yes

RAJIV SAHAI ENDLAW, J.

1. The suit has been filed for the relief of permanent injunction restraining the infringement of the registered trademark TENDER KARE, for restraining the defendant from passing off its same goods as that of the plaintiff by using the mark TENDER CARE, for restraining the defendant from infringing the copyright work of the plaintiff on its cartons/packaging and for the ancillary reliefs of delivery, damages and costs. Alongwith the plaint an application for interim relief (IA No. 811/2008) restraining the infringement / passing off has also been filed. Vide interim order (after notice) dated 2nd May, 2008 the defendant was restrained from using the trademark of the plaintiff or any trademark similar to the trademark of the plaintiff.

2. The plaintiff is the registered proprietor of the trademark TENDER KARE in class 10 in respect of the feeding bottles and nipples. The plaintiff has filed the original certificate of registration dated 24th December, 2005 of the said mark in the court. The said certificate was issued pursuant to the application dated 18th May, 2004. The counsel for the defendant has also during the hearing not controverted the registration in favour of the plaintiff.

3. The undisputed / uncontroverted facts are that the plaintiff and the defendant though both private limited companies are managed/controlled by persons who are closely related and who were earlier carrying on business in partnership in the name and style of M/s Bonny Products. The defendant has filed the photocopy of a Retirement Deed dated 11th June, 1983 of the aforesaid partnership and wherein the persons in control / management of the plaintiff are described as the “continuing partners” and the persons in control and management of the defendant are described as the “retiring partners”. The senior counsel for the plaintiff during the hearing has not controverted the said document and in fact has also referred to the same. The following clauses of the said Retirement deed have been referred to during the hearing and/or are relevant.

“5. The Retiring Partners further agree that they shall not be entitled to any amount on account of the name and goodwill of the firm vesting in the continuing partners. However, as far as the trade mark “BONNE” is concerned the same shall vest in the partners to the deed and both the Retiring partners and the continuing partners will be entitled to use the same only in the territories assigned to them and mentioned in the subsequent clauses of this deed.

7. That the Retiring Partners have agreed that the Continuing Partners will be entitled to continue their business under the name and style of Bonny Products at

A-80, Group Industrial Area, Wazirpur, Delhi and/or at such other and further places as they choose.

8. That the continuing partners hereby agree that the retiring partners will be entitled to set up separate business under the name and style of Paul Brothers (Manufacturers) or any other name.
9. That the parties to the deed agree that the retiring partners will be entitled to manufacture and market the goods with the trade mark "BONNE" in the Union Territories of Delhi, Pondicherry and Goa, States of Haryana, Gujarat, Maharashtra, Andhra Pradesh, Tamil Nadu, Karnataka and Kerala.
10. That the parties agree that the continuing partners will be entitled to manufacture and market the goods with the trade mark "BONNE" in the States of Punjab, Union Territory of Chandigarh, Jammu & Kashmir, Himachal Pradesh, U.P., Rajasthan, Madhya Pradesh, Orissa, Bihar, West Bengal, Assam, Nagaland, Mizoram, Meghalaya and Tripura.
11. Notwithstanding the territories mentioned in the preceding paragraphs 9 and 10 above, **the parties to this deed undertake that they shall not market their goods and/or caused to be marketed their goods in any brand name in the territories other than those granted to them under this Deed** except that they shall be able to sell the goods to Baby Care Marketing company in Delhi. The restrictions imposed under clauses 9, 10 and 11 would be applicable to and govern the parties to the deed as well as any new concern/firm, now existing or intended to be formed or formed and/or incorporated and would cover also any new partner(s) who may join them and/or with whom they or any of them may join in business.
12. The restrictions mentioned in clauses 9, 10 and 11 would apply only to baby feeding bottles, nipples, soothers and/or any other products bearing the trade mark "Bonne". The Retiring Partners agree that the Continuing Partners will be entitled to have their Head Office and Sales Office in Delhi."

4. The case of the plaintiff is that after the Retirement Deed dated 11th June, 1983 aforesaid the plaintiff and the defendant have been carrying on business, inter alia, of manufacture and marketing of the same goods i.e., baby nipples & Soothers, baby feeding bottles and other allied products, both under the trademark BONNE but in

their respective territories in India in terms of the retirement deed aforesaid. It is further the case of the plaintiff that the plaintiff in the year 1995 introduced the liquid silicon injected technology in the manufacture of the nipples and which is much advanced than the technology hitherto used, vastly improving the product and making it last longer and more hygienic, superior and tender. The plaintiff claims to have commenced manufacturing the said superior goods under the trademark TENDER KARE in conjunction with its trademark BONNE (which, both, the persons in management of the plaintiff as well as those in management and control of the defendant in terms of the Retirement Deed aforesaid were entitled to use). It is further the case of the plaintiff that the said new technology has vastly improved its sales and the demand for the new product under the trademark TENDER KARE has been galloping since then. Sales figures thereof since 1998-1999 to 2006-2007 have been pleaded to show the growing popularity of the new product. The plaintiff claims to be using the trademark TENDER KARE regularly and continuously since the year 1995. The plaintiff also claims to have devised/created the artistic work, design, colour scheme, get up, distinctive features and dress for the packaging of the said new product, to make the same distinguishable to the customers. The plaintiff has filed its cartons before this court and which were not disputed by the counsel for the defendant during the hearing. The said trade dress of the plaintiff is described in paras 17 to 21 of the plaint. The same inter alia comprises of a white background with two strips in maroon colour and a bigger strip at the bottom in green; it has the mark TENDER CARE in bold blue colour with the words "Liquid Silicone Nipple" underneath. The carton of the plaintiff also prominently bears the words "Liquid Silicone Means Extra

Transparency Extra Tear Strength". The said carton besides displaying the photograph of a Nipple in the centre, also have the caricature of a bunny rabbit on the other side of the nipple. The plaintiff claims copyright in the aforesaid artistic work of the carton/trade dress.

5. The grievance of the plaintiff is that it came to its notice in November, 2007 that the defendant had started using the trademark TENDER CARE in respect of the same goods and was marketing its goods in a carton / packaging under trade dress almost identical to that of the plaintiff. The plaintiff has filed before the court the carton of the defendant also and which was not disputed by the counsel for the defendant during the hearing. The said carton is also in white background with a green border and maroon colour stripes with the words BONNE in red (as in that of plaintiff) and TENDER CARE in blue colour. It also has the words "Liquid Silicone Nipple" written in black colour (same as plaintiff) immediately under TENDER CARE and has a similar photograph of a nipple in the centre as in the carton of the plaintiff and with the words "Liquid Silicone Means Extra Transparency Extra Tear Strength" on one side and the caricature two instead of one bunny rabbit on the other side. After seeing these two cartons, they leave no room for doubt of the same having potential of deception and confusion. This was also not controverted by the counsel for the defendant. The senior counsel for the plaintiff has also urged that the said goods are marketed to all cross sections of the society not necessarily educated and who will definitely not be able to distinguish between the two cartons.

6. The only contention of the defendant is that under the Retirement Deed aforesaid the territories in which the plaintiff and

the defendant can sell their same/identical goods have been demarcated and both have been permitted to use the mark BONNE. It is emphasized that the plaintiff, under the Retirement Deed is not entitled to sell or market baby feeding bottles, nipples under any brand name/mark other than BONNE also in the territories of the defendant; thus, the plaintiff is not entitled to use the mark TENDER KARE/copyright aforesaid with respect to these goods in territories of the defendant. It is further the contention that the plaintiff has wrongfully got the trademark TENDER KARE registered for the entire country. It is argued that the plaintiff in terms of the retirement deed aforesaid is entitled to sell the goods with respect where to the trademark has been got registered only in certain territories and thus could have got the registration only for those territories and not qua the territories in which under the Retirement Deed the plaintiff is not entitled to sell the said goods and in which the Defendant alone is entitled to sell the said goods. It is contended that the registration of a trade mark need not necessarily be for the entire country and can be territorial. It is further contended that since the territories are restricted, the occasion for the parties being entitled to sell market, advertise their goods in the territory of the other and consequently of having a reputation in the territory of the other does not arise; that the customers/buyers of the said goods know in which territory which party is operating and thus the question of the plaintiff restraining infringement of the trademark/copyright or passing off in the territory in which the defendant alone can sell the said goods does not arise. It is argued that in these circumstances both the parties are free to copy the trademark/copyright of each other in their respective territories. On inquiry as to whether such action would not amount to passing off it

is contended that in view of the situation aforesaid, the question of one party having reputation in the territory in which it is not entitled to carry on business for all times to come does not arise and which reputation is essential in an action of passing off. It is further the case when the territories have been demarcated, there is no question of one taking advantage of the reputation of the other in its own territory because there can be no reputation in the territory of the other. It is stated that owing to the agreement contained in the Retirement Deed aforesaid, it is not possible at any time in future also that one party may be entitled to sell / market in the territory of the other and which is unlike the governmental restrictions which can be lifted at any time; since there is no possibility, the question of protecting rights for such possibility also does not arise.

7. The senior counsel for the plaintiff has, per contra, contended that the present suit is not concerned with the mark BONNE which alone was the subject matter of the retirement deed. It is contended that the present suit pertains to the mark TENDER KARE and the copyright aforesaid and which admittedly has been adopted / conceived after 11th June, 1983. It is further argued that though the plaintiff holds the registration for the whole of India but is selling the goods under the mark TENDER KARE and packaging in which copyright is claimed, only in its own territories.

8. I had during the hearing itself observed that this court is not concerned with the correctness or otherwise of the registration of the mark TENDER KARE obtained by the plaintiff for the entire country. The defendant shall be entitled to take appropriate proceedings, if any, in this regard and nothing contained herein is to come in the way of such proceedings. I had, however, during the

hearing wondered that even if there could be no case of infringement, in view of the territorial division between the parties and even if the registration obtained by the plaintiff for the territories of the defendant is to be held to be bad, the action of the defendant of admittedly copying the trademark and the trade dress of the plaintiff would definitely amount to passing off. The agreement between the parties contained in the Retirement Deed aforesaid is confined with respect to the mark BONNE. It does not prohibit the parties from manufacturing and marketing the same goods under another trademark. The only limitation is that even if the parties manufacture the goods subject matter of the agreement under another trademark they are still not entitled to carry on business with respect thereto in the territory of the other, in contravention of the said agreement. However, if they carry on business in the same goods in their own territory under some other trademark and if the other party is permitted to adopt the same trademark in its own territory, it is definitely likely to confuse a person knowing the trademark of one in relation to one territory with the similar/deceptively similar trademark of the other in the other territory. The reach of advertising in today's world is unlimited; nearly all domestic television channels have their telecast throughout India (even outside India, in territories having large settlement of persons of Indian origin) without restriction as to the territories as drawn up by the parties. Any of the parties desirous of advertising its product on television cannot do so by restricting the telecast thereof in its own territory. The said advertisement will be necessarily telecast in the territory of other also. The same is the position of advertising in the print media, viz. magazines etc. – they have circulation throughout the country. The contention that the

prospective customers know of the division of territories between parties is preposterous. Allowing the parties to use the trademark/copyright of each other or deceptively similar trade marks owing to the division of territories in the Retirement Deed would definitely amount to allowing the parties to take benefit of each others efforts and costs in advertising. The same cannot be permitted.

9. I had during the hearing inquired from the counsel for the defendant whether there was any restriction on the plaintiff carrying on business under the trademark TENDER KARE in relation to allied goods as say baby food or milk powder in the territory of the defendant. The answer of the counsel for the defendant was in the negative. If that be so, then, if the defendant is permitted to use the trademark TENDER CARE in relation to baby feeding bottles, nipples, soothers etc in its territory and the plaintiff carries on business of baby food or milk powder in that territory under the mark TENDER KARE, the same is definitely likely to cause confusion, deception and loss to each other.

10.. The courts have in relation to trademark / intellectual property rights, granted injunction on the basis of trans-border reputation also. The use of trademarks/names, goods whereunder have not been available in this country or could not be available owing to restrictions has been enjoined for the reason of having trans-border reputation. When such reputation can travel over seas it can certainly travel across the various districts/territories/states divided by the parties herein between themselves. The boundaries drawn up by the parties are illusory. They are the political boundaries of this country and which are otherwise difficult to decipher. For instance,

travelling from Punjab (which as per the agreement is the territory of the plaintiff) to Haryana (which as per the agreement is the territory of the defendant), one cannot make out the difference where one ends and the other starts. The same is the position with respect to several other States divided between themselves by the parties. The residents of one territory may be shopping in the other. There are no restrictions on free movement of consumers and/or of trade and commerce across the territories of India. The contention of the counsel for the defendant of the plaintiff thus having no reputation in defendant's territory and being not entitled to restrain passing off is not found correct. All this goes to show that allowing the parties to use each other marks is replete with the same dangers/consequences as in any other case of infringement / passing off and the agreement between the parties is not found by this court to come in the way of the granting the relief to which no other defence has been disclosed.

11. The senior counsel for the plaintiff has also argued that the defendant without investing on the new technology adopted by the plaintiff at a huge costs is attempting to pass off its goods as manufactured by the new technology; the defendant, without having the Liquid Silicon injection technology, is as part of its trade dress using the same words as used by the plaintiff to identify its products as manufactured by said technology.

12. I am also unable to accept the contention of the defendant that owing to the name of the parties displayed as manufacturers on their respective cartons they are distinguishable. The names "Bonny Products Pvt. Ltd." and " Bonne Care Pvt. Ltd." are not found such so as to warn the prospective buyer or to distinguish. Otherwise, I do not find any distinctive/distinguishing features in the Trade

Mark/Trade Dress. Even the caricature of bunny rabbit having identical earlobes has been copied. It is not disputed that the plaintiff is the prior user thereof. The action of the defendant of adopting the similar/deceptively similar mark/trade dress is found to be malafide and intended to illegally and to the prejudice of the plaintiff enrich itself. The same cannot be permitted in law and has to be injuncted. The only reason therefor given by the defendant has already been negatived above. Under Section 29(4) of the Trade Mark Act, 1999 a registered Trade Mark is infringed if it has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark. The action of the defendant satisfies the said ingredients.

13. During the hearing I had also inquired from the counsels as to whether in the facts and circumstances of the case the suit itself be not disposed of in terms of the order on the application for interim relief. The senior counsel for the plaintiff, on instructions, had fairly stated that the suit can be so disposed of and in fact the plaintiff would then not press the claim for damages. The counsel for the defendant had also initially agreed but at the close of the hearing contended that the order may deal with the application for interim relief only and the suit be posted for trial. However, he was unable to state that save as aforesaid what other issue arises for determination or trial in the present case. Thus though no consent of the defendant was given but I am of the opinion that in the facts of the case, no issue arises for trial. In view of my finding above, I find that the plaintiff is entitled to the injunction claimed. It was not even suggested by the counsel for the defendant that TENDER CARE is

distinct from TENDER KARE. Exhibits P13 and P14 are

identical/similar or deceptively similar Annexures A and B to the plaint. The defendant has not challenged the plaintiff being the creator and not prior user of the copyright on the said cartons/packaging and the trade dress.

14. The suit of the plaintiff is thus decreed. Though I have observed above that this order will not come in the way of the challenge, if any, by the defendant to the registration of the plaintiff with respect to territories of the defendant also, but registration being prima facie evidence of validity under Section 31 of the Act, the plaintiff is found entitled to injunction against infringement also. The decree for permanent injunction is passed in favour of the plaintiff and against the defendant in accordance with prayer paragraph 41 (a), (b) and (c). However, since the suit has been disposed of at this stage, the parties are left to bear their own costs. Decree sheet be drawn up.

**RAJIV SAHAI ENDLAW
(JUDGE)**

May 22, 2009
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