

IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on : August 27, 2009

Date of Judgement: November 30, 2009

CS(OS) No. 1143 of 2004

FOODWORLD

..... Plaintiff

Through: Mr. Hemant Singh with
Mr. Sachin Gupta, Advocates.

versus

FOODWORLD HOSPITALITY PVT. LTD. Defendant

Through: Mr. S.K. Bansal, Advocate.

CORAM:

HON'BLE DR. JUSTICE S.MURALIDHAR

1. Whether reporters of the local news papers

be allowed to see the order?

Yes

2. To be referred to the Reporter or not?

Yes

3. Whether the order should be reported in the

Yes

Digest ?

J U D G M E N T

S. Muralidhar, J.

1. This suit, filed on 12th October 2004, prays for a decree of permanent injunction to restrain the Defendant from marketing, selling, offering for sale, advertising, directly or indirectly dealing in food products and food business under the trademark and trade name FOODWORLD or any other mark or name deceptively similar thereto as may likely to cause confusion or deception amounting to passing off of Defendant's goods and business as those of the Plaintiff. The other prayers in the suit are for delivery up of the infringing packaging, labels and rendition of accounts and for a decree for

the amount due or in the alternative for Rs.20 lakhs as token damages.

Case of the Plaintiff

2. The Plaintiff M/s Foodworld is a registered partnership firm having its registered office at Greater Kailash Part-II, New Delhi. It is stated that earlier the Plaintiff was a proprietorship concern of which Mr. Iqbal Krishan Dogra was the sole proprietor. Since 1987, the said concern was in the food business which included institutional and outdoor catering under the trademark/trade name FOODWORLD. On 15th March 2001, Mr. Dogra inducted his wife Mrs. Meenakshi Dogra as a partner and by a partnership deed dated 15th March 2001 converted the proprietorship concern into a partnership firm.

3. An application was made on 4th August 1994 by Mr. Dogra and Mrs. Meenakshi Dogra for registration of the trademark FOODWORLD (label) in Class 30 of the Schedule to the Trade and Merchandise Marks Act 1958 ('TM Act 1958') i.e. coffee, tea, cocoa, sugar, flour preparation made from cereals, bread, biscuits, cakes, pastry and confectionary etc. The said registration was opposed by the Defendant and was pending at the time of the filing of the suit.

4. The Plaintiff is also stated to have made application on 29th July 2004 under the Trade Marks Act 1999 ('TM Act 1999') for grant of registration for the trademark FOODWORLD in Class 29 [i.e meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, fruit sauces, eggs, milk and milk products, edible oils and fats] and in Class 42 [i.e service of providing food and drinks, temporary accommodation, medical hygienic and beauty care, veterinary and

agricultural services, legal services, scientific and industrial research, computer programming, services that cannot be classified in other classes].

5. The Plaintiff claims that the trademark/trade name FOODWORLD has been coined and adopted by the Plaintiff and used exclusively, continuously and extensively in relation to the food business since 1987. It is stated that the firm began with supplying packed executive lunches to various reputed organisations like Eicher Goodearth Limited, Ranbaxy Lab. Ltd., Modi Xerox, BHEL, Coal India, FICCI etc. It claims to have been running a restaurant under the trademark/trade name FOODWORLD at the Inland Container Depot (Dry Port), Tughlakabad, New Delhi since September 1993. Apart from institutional and outdoor catering, the Plaintiff was allotted a contract for rendering mobile catering services on various trains including the New Delhi-Jaipur-Ajmer Shatabadi Express. The Plaintiff claims to have restaurant outlets apart from Tughlakabad also at Dadri in UP. It is claimed that the Plaintiff caters to more than 6000 passengers on various trains or through various outlets every day. The trademark/trade name FOODWORLD appears on all the invoices and the food packaging. It is also prominently displayed on various commodities like sugar, salt and pepper sachets, toothpick packaging, on the cutlery supplied, on paper cups, snacks etc. supplied to the passengers on the train. It is stated that the Indian Railways has a maximum reach of people and connects even the remotest corners of the country. It is accordingly claimed that the Plaintiff has thus acquired “enviable goodwill and reputation in the trademark/trade name FOODWORLD.”

6. In para 7 of the plaint, the turnover figures of the Plaintiff for the years ending on 31st March 1988 to 31st March 2004 have been indicated. As on 31st March 2004 the annual turnover was 9.56 crores. It is claimed that the trademark/trade name FOODWORLD is distinctive of the goods and business of the Plaintiff and has acquired secondary significance to connote and denote the trade source and origin of the goods. It is stated that the trademark/trade name FOODWORLD along with the goodwill of the business thereunder was assigned in favour of the Plaintiff firm which accordingly became the proprietor of the said trade mark FOODWORLD.

7. The Defendant M/s Foodworld Hospitality Pvt. Ltd., a company incorporated under the Companies Act, 1956 having its office at Vasant Kunj, New Delhi is also engaged in food business. The Plaintiff claims that it became aware of the adoption of the trademark FOODWORLD by the Defendant in July 2004 after receiving a copy of notice of opposition filed by the Defendant against the Plaintiff's trademark Application No. 635965 in Class 30 for the mark FOODWORLD. Although notice of opposition was received in May itself, it was brought to the attention of the partners of the Plaintiff firm only in July. The Plaintiff then filed a counter statement to the opposition. These proceedings were stated to be pending.

8. The Plaintiff claims to have sent a legal notice dated 12th August 2004 asking the Defendant to discontinue the use/adoption of the trademark FOODWORLD. By its reply dated 25th August 2004, the Defendant declined to do so and thereafter the present suit was filed.

9. The case of the Plaintiff is that the adoption of the mark FOODWORLD by the Defendant in relation to food preparations or products is dishonest and is bound to cause confusion or deception among the members of the public and the trade on account of its identity with the Plaintiff's trademark FOODWORLD. The use by the Defendant of the trademark FOODWORLD in relation to food preparations, products and services is bound to lead the members of the public to believe that the Defendant's goods or business originate from the Plaintiff or that the Defendant has a trade connection or association with or the approval of the Plaintiff. This, according to the Plaintiff, amounts to passing off of the Defendant's goods as those of the Plaintiff. It is alleged that the Defendant's conduct is dishonest and malafide and motivated to misappropriate the Plaintiff's goodwill and reputation attached to the trademark FOODWORLD. It is claimed that the illegal action of the Defendant is causing irreparable loss and injury to the Plaintiff in its business, goodwill and reputation and that the said injury cannot be compensated in monetary terms.

Case of the Defendant

10. A written statement was filed by the Defendant on 8th November 2004. It is claimed in the written statement that the Plaintiff is neither the proprietor nor the owner of the trademark or trade name FOODWORLD. It is stated that the Plaintiff has admitted to have accepted the disclaimer condition imposed by the Registrar in the Plaintiff's Trade Mark Application under registration No.635965 in Class 30. The Plaintiff's application was for the artistic logo with the word/mark FOODWORLD which contains a device of a globe in the letter 'O'. This application was advertised in the Trade Marks

Journal No. MEGA 3 dated 14th October 2003 with a disclaimer condition that the registration of this trade mark would give no right to the exclusive use of “GLOBE ALONG WITH FOOD & WORLD.” It is submitted that inasmuch as the Plaintiff has accepted this disclaimer the only right, if any, that the Plaintiff has is to the artistic logo on the left side of the word/mark FOODWORLD. It is further stated that in view of the disclaimer the Plaintiff is estopped from claiming any exclusive right in the said trade name/ trademark FOODWORLD.

11. It is submitted that the non-disclosure of the above disclaimer in the plaint amounted to suppression of a material fact and entailed outright dismissal of the suit. It is stated that in the application made for the registration of the trademark, the Plaintiff claimed user only since 1st August 1994 and therefore the claim of being a user since 1987 was false to the knowledge of the Plaintiff. It is further pointed out that the application was filed in the name of Mr. Iqbal Krishan Dogra and Mrs. Meenakshi Dogra and not in the name of the Plaintiff firm which was admittedly formed only in March 2001. It is therefore alleged that the Plaintiff is not a legal entity and has made wrong submissions as to its business and logo.

12. The Defendant claims to be engaged in the hospitality business and manufacturing, running and operating restaurants under the service mark FOODWORLD as well as the corporate name FOODWORLD. It has claimed to have adopted the said service mark/trade name in 1998 and it has been using it continuously, commercially and exclusively in the course of trade. The Defendant also claims that the said service mark/trade name is

identified with the Defendant and indicates the business and service as originated from the Defendant. It is further claimed that the consuming public and the trade associates would identify the said service mark and trade name with the Defendant alone. The Defendant also claimed that the said service mark and the trade name has acquired secondary significance and have become synonymous with the goods and business of the Defendant. The Defendant claimed to have acquired considerable reputation and goodwill to have conducted business running into lakhs of rupees.

13. The Defendant, in the year 2001, applied for registration of the said service mark/trade name FOODWORLD in Class 29 and Class 30 since the applications were under the Trade & Merchandise Marks Act, 1958 ('1958 Act') which contained no provision for the registration of service marks. Both the applications were advertised in the Trade Mark Journal on 25th October 2003. No objection was filed by the Plaintiff to the said applications. After the coming into force of the TM Act 1999 which permitted registration of marks to be used in services, the Defendant filed an application for registration of the service mark FOODWORLD in Class 42. This application was also directed to be advertised by the Registrar of Trade Marks. The Defendant also claimed to have applied and obtained a copyright registration A-64449 of 2003. The copy of the certificate has been placed on record. It is submitted that the subject matter of the copyright registration is an original artistic work within the meaning of the Copyright Act, 1959 and that the Defendant is the owner of the copyright therein. It is accordingly submitted that the Defendant has its own and independent right in the service mark and trade name FOODWORLD on the ground of honest and

concurrent user as well.

14. On 14th September 2005 the Defendant filed an amended written statement to bring on record the fact that it had been granted registration for the mark FOODWORLD in Class 30 on 1st June 2005 effective from 19th December 2001. It was also granted registration in Class 29. The Defendant also was granted copyright registration No. A-64449 of 2003 for the artistic work.

15. In its replication, the Plaintiff claims that it had adopted and is the prior user of the trademark/trade name FOODWORLD and has acquired enviable goodwill and reputation. The contention is that on the principles of prior adoption, continuous use and excellent quality control, the Plaintiff is the legitimate proprietor of the trademark/trade name FOODWORLD. It is asserted that notwithstanding the disclaimer for the device of the globe with 'Food' or the device of the globe in conjunction with the word 'World' there was no disclaimer with regard to the trademark FOODWORLD as a whole.

16. This Court did not grant any interim relief. On behalf of the Plaintiff, Shri I. K. Dogra filed an affidavit dated 30th May 2006 by way of examination-in-chief. Inter alia along with the affidavit, Shri Dogra exhibited copies of the trademark applications made, the legal notice issued and the copy of the opposition filed by the Plaintiff to the Defendant's trademark application. The Plaintiff has also placed on record copies of the visitor's book kept in the trains which contained the comments made by the customers about the quality of the food supplied by the Plaintiff. The

figures of sales turnover as well as the copies of the balance sheet and profit and loss account of the Plaintiff from March 2001 to March 2004 have been placed on record.

17. The other witness of the Plaintiff, Shri Pradeep Kumar Nagpal (PW-2) filed an affidavit dated 30th May 2006 by way of examination in chief. A further affidavit dated 28th November 2006 by way of evidence of PW 1 has been filed on behalf of the Plaintiff. PWs-1 and 2 were cross examined on various dates. On behalf of the Defendant the affidavit dated 1st July 2006 of Shri Sameer Puri DW-1 by way of evidence was filed. Shri Puri was cross-examined on 5th July 2007.

Issues

18. By an order dated 5th April 2006 the following issues were framed:

“1. Whether the suit has been instituted by a competent and authorised person? OPP

2. Whether the Plaintiff is proprietor of the trademark/trade name FOODWORLD? OPP

3. Whether by the use of the word FOODWORLD the Defendant is passing off its goods and services as those of the Plaintiff? OPP

4. Whether the Defendant is prior user of the trademark/trade name FOODWORLD? OPD

5. Whether the Defendant is entitled to use the trademark/trade name FOODWORLD on account of honest and concurrent use? OPD

6. Whether the suit is barred by delay, acquiescence and laches?
OPD

7. Whether the Plaintiff is guilty of suppressing material facts and has not come to the Court with clean hands?
OPD

8. Whether the Plaintiff is entitled to any relief as prayed for?”

The submissions of Mr. Hemant Singh, learned counsel for the Plaintiff and Mr. S.K. Bansal, learned counsel for the Defendant have been considered.

Issue No.1: Whether the suit has been instituted by a competent and authorised person?

19. The plaint has been signed by Shri IK Dogra describing himself to be the partner of the plaintiff firm. It is supported by the affidavit dated 12th October 2004 of Shri Dogra. The letter of authorisation dated 7th January 2004 given by Ms. Meenakshi Dogra, one of the partners of the Plaintiff firm, to file the suit is marked as Ex. PW 1/1. This Court is satisfied that the suit has been instituted by a competent and authorised person. Accordingly this issue is decided in favour of the Plaintiff and against the Defendant.

Issue No.6: Whether the suit is barred by delay, acquiescence and laches?

20. The case of the Plaintiff is that it came to know about the adoption and use of the trademark FOODWORLD by the Defendant in July 2004 when it received the Defendant’s notice of opposition to its application.

21. It is seen that the Plaintiff's application was advertised in the Trade Marks Journal Mega No.3 dated 14th October 2003. The opposition filed by the Defendant was dated 24th February 2004. The Plaintiff filed its counter statement on 27th July 2004. The present suit has been filed on 12th October 2004. In the circumstances it is held that the suit is not barred by laches or delay.

Issue No.2: Whether the Plaintiff is proprietor of the trademark/trade name FOODWORLD?

22. The case of the Plaintiff is that it has been using the mark FOODWORLD continuously since 1987 in relation to the food catering business. There are invoices of FOODWORLD, having its office at Greater Kailash in New Delhi, of the years 1990, 1991, 1992, 1993, and 1995 onwards. Letters addressed to the Senior Commercial Manager (Catering), Northern Railways of 1st January 1997 including the bills for the period 16th December 1996 to 31st December 1996 of the New Delhi-Jaipur-Ajmer-New Delhi Shatabdi Express are on record. There are exhaustive invoices of 1997, 1998, 1999. The agreement for running mobile catering services with the Northern Railways dated 13th March 1995 (Ex.PW 1/3.1) has been duly proved. Of course, this agreement is with FOODWORLD which is the proprietary concern, of which Shri Dogra was the sole proprietor.

23. Then we have sales tax registration in respect of M/s. FOODWORLD with its registration valid from 17th March 1989. We have assessment orders for the period 31st October 1987 to 31st March 1988; 1st April 1988 to 16th March 1989 and 17th March 1989 to 31st March 1989. There are assessment

orders for the years 1989-90, 1990-91, 1991-92, 1992-93 onwards all in the name of M/s. FOODWORLD. The assessment order dated 29th March 2004 for the year 2002-03 notes that the Plaintiff is providing food services. The turnover figures are also given in these assessment orders.

24. We have the partnership deed dated 15th March 2001 between Shri IK Dogra and Mrs. Meenakshi Dogra (Ex.PW 1/2) and the registration of the firm (Ex.PW 1/1) issued on 15th March 2001. In its counter statement to the notice of opposition, the partnership firm adverts to the fact that it has been assigned the mark FOODWORLD by the proprietary concern after the consideration of the forming. The cross-examination of the witnesses for the Plaintiff on this aspect has not yielded much to describe the exhaustive evidence placed by the Plaintiff to show that it is not the proprietor of the mark FOODWORLD.

25. In the considered view of this Court, there is overwhelming evidence adduced by the Plaintiff to prove that the Plaintiff is the proprietor of the mark. The Plaintiff has also placed on record a copy of the form TM-16 whereby the Trademarks Registry was informed that the status of the applicant had changed from a proprietary concern to a partnership firm with effect from 15th March 2001 and accordingly requested the name of the applicant in the applications may be amended to Mr. IK Dogra and Ms. Meenakshi Dogra, Indian nationals trading as FOODWORLD. Accordingly this issue is decided in favour of the Plaintiff and against the Defendant.

Issue No. 3: Whether by the use of the word FOODWORLD the Defendant is

passing off its goods and services as those of the Plaintiff?

The elements of passing off

26. The present case is one of passing off. The Plaintiff has applied for registration for the mark FOODWORLD whereas the Defendant holds a registration both in respect of the trademark as well as copyright in FOODWORLD. In order to succeed on the issues framed the Plaintiff has to prove that the elements of passing off exist in the present case.

27. The leading modern authority on passing-off is the decision of the House of Lords in *Reckitt and Colman Products Ltd v. Borden Inc and others* [1990] 1 All ER 873, where the House of Lords explained the “classical trinity” of passing off. Lord Oliver said:

“The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

28. Earlier, in the *Advocaat* case, ***Erven Warnink v. Townend* [1979] 2 All E.R. 927**, in the leading speech of Lord Diplock it was observed:

“*Spalding v. Gamage* (1915) 32 RPC 273 (H.L.) and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing-off: (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequences) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a *quia timet* action) will probably do so.”

29. Courts in our country have been adhering to the above principles which are recognised as part of the common law in the area of passing off. This Court in ***M/s Smithkline Beecham and Ors v. M/s. Hindustan Lever Ltd. and Ors* 1999 PTC 775 (Del)** held that “in order to prima facie prove a cause of action for passing off certain pre-conditions are to be fulfilled. The first ingredient to be prima facie pleaded and proved is goodwill, whereas the second aspect to be proved is misrepresentation and the third such aspect that is to be proved is the fact that such misrepresentation has led to sufferance of damages. The plaintiffs have to prove that the defendant has been using or is using in connection with his own goods a name, mark, sign, or get up which has become distinctive with the plaintiffs. He also has to prove in addition that the defendants' use of the said feature was calculated or likely to deceive, which has resulted into injury actually to the goodwill of the plaintiff. Since passing off action is based on deception and misrepresentation there has to be enough pleadings in the plaint to indicate

that there was in fact deception, confusion and misrepresentation.”

Distinctiveness

30. The first aspect to be considered is whether the Plaintiff has been able to prove the distinctiveness of the mark in question. The mark in question, FOODWORLD, is an arbitrary combination of two descriptive words, ‘food’ and ‘world’. The Plaintiff here is not unaware of this limitation and that in such a case the burden is on the Plaintiff to prove distinctiveness by way of long usage consistently over a period of time. The following passage from *Christopher Wadlow, The Law of Passing Off*, (Thomson, Third Edn., 2004) at Page 582 is helpful in this regard:

“A mark can only become distinctive by user, but there is no rule of law as to what kind or amount of user is necessary or sufficient to found the action. What is in issue is whether there has been a material misrepresentation, which in turn depends on whether the mark has become distinctive to sufficient proportion of the public. In general, the claimant’s case will be strengthened by user which has lasted a long time and been on a large scale, but neither is essential. Cases in which the claimant has failed solely because of inadequate user have been rare in modern times. What is rather more common is that relatively small differences in the defendant’s own mark, or field of business, will be held to afford a defence when the claimant’s user has been slight. Occasionally, older decisions have referred to periods of several months, or even years, as being inadequate to appropriate marks of very low inherent capacity to distinguish. Although inherently distinctive marks will be protected after a short period than ones which are descriptive or otherwise non-distinctive, it may be doubted if the supposed marks in question would have been protected whatever the length of use.”

31. The classic explanation of Parker J in *Burberrys v. Cording (1909)* 26

RPC 693 is as follows:

“It is important for this purpose to consider whether the word or name is *prima facie* in the nature of a fancy word or name, or whether it is *prima facie* descriptive of the articles in respect of which it is used. It is also important for the same purpose to consider its history, the nature of its use by the person who seeks the injunction, and the extent

to which it is or has been used by others. If the word or name is prima facie descriptive, or be in general use, the difficulty of establishing the probability of deception is greatly increased, and again, if the person who seeks the injunction has not used the word or name simply for the purpose of distinguishing his own goods from the goods of others, but primarily for the purpose of denoting or describing the particular kind of article to which he has applied it, and only secondarily, if at all, for the purposes of distinguishing his own goods, it will be more difficult for him to establish the probability of deception.”

32. The general misconception as to what is a ‘descriptive’ mark and what is ‘generic’ has sought to be explained in Christopher Wadlow, **The Law of Passing Off**, (Thomson, Third Edn., 2004), at page 618 as under:

“In cases of passing-off involving verbal marks the converse of “distinctive” is often taken to be “deceptive”. Unfortunately, there are really two different concepts behind that word, since “descriptive” is often used when “generic” would be more appropriate. In English legal usage it is more consistent with the authorities to use “descriptive” as a term of art embracing “generic” as well as its natural meaning. The fact that one word has been used to cover two concepts which are related but not identical has resulted in some confusion of thought, especially in respect of arbitrary generic names for new goods or services.”

33. The greater burden on the Plaintiff to justify protection of a ‘descriptive’ mark was recognized by Lord Davey in *Cellular Clothing v. Maxton & Murray* [1899] AC 326:

“[A] man who takes upon himself to prove that words, which are merely descriptive or expressive of the quality of the goods, have acquired the secondary sense to which I have referred, assumes a much greater burden.... than that of a man who undertakes to prove the same thing of a word not significant and not descriptive, but what has been compendiously called a ‘fancy’ word.

The other observation which occurs to me is this, that where a man produces, or invents if you please, a new article, and attaches a descriptive name to it, a name which, as the article has not been produced before, has of course not been used in connection with the article, and secures for himself either the legal monopoly or a monopoly in fact of the sale of that article for a certain time, the evidence of persons who come forward and say that the name in

question suggests to their minds and is associated by them with the plaintiff's goods along, is of a very slender character..... He brings the article before the world, he gives it a name descriptive of the article all the world may make the article, and all the world may tell the public what article it is they make, and for that purpose they may prima facie use the name by which the article is known in the market.”

34. The same principles were stated by Stephen J. in the High Court of Australia (Full Court), in a passage which was quoted and approved by Lord Scarman in *Cadbury Schweppes v. Pub Squash Co* [1981] 1 All ER 213 (PC):

“There is a price to be paid for the advantages flowing from the possession of an eloquently descriptive trade name. Because it is descriptive it is equally applicable to any business of a like kind, its very descriptiveness ensures that it is not distinctive of any particular business and hence its application to other like businesses will not ordinarily mislead the public. In cases of passing-off, where it is the wrongful appropriation of the reputation of another or that of his goods that is in question, a plaintiff which uses descriptive words in its trade name will find comparatively small differences in a competitor's trade name will render the latter immune from action: *Office Cleaning Services v. Westminster Office Cleaning Assn.* per Lord Simonds. As his Lordship said, the possibility of blunders by members of the public will always be present when names consist of descriptive words. ‘So long as descriptive words are used by two traders as part of their respective trade names, it is possible that some members of the public will be confused whatever the differentiating words may be.’ The risk of confusion must be accepted, to do otherwise is to give to one who appropriates to himself descriptive words an unfair monopoly in those words and might even deter others from pursuing the occupation which the words describe.”

35. Contending that the mark FOODWORLD lacks distinctiveness, learned counsel for the Defendant submitted that in an action for passing off the Court was first required to consider whether the Plaintiff was the proprietor of a distinctive mark and thereafter whether the Defendant was passing off his goods and services as that of the Plaintiff. Reliance was placed upon the

decision in *Manish Vij v. Indra Chugh* 2002 (24) PTC 561 (Del) where the
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word ‘kabadibazaar’ was held not to be a newly coined but a descriptive word as it imparted information directly and it required no imagination to connect it with second hand goods. He has also relied upon the case of ***Vijay Kumar Ahuja v. Lalita Ahuja 2002 (24) PTC 141 (Del)*** where it was held that neither party can claim any right to exclusive use of common language words and names such as “MISTER”, “DEFENCE”, “ARUN” and “ML” unless they acquired great reputation and goodwill or assumed secondary significance.

36. On the other hand, learned counsel for the Plaintiff has contended that the Defendant, which itself claims to the exclusive right to use FOODWORLD cannot challenge it as descriptive. Reliance is placed upon the decision in ***Automatic Electric Limited v. RK Dhawan 1999 PTC (19) 81 (Del)***. In that case, this Court held that “the fact that the defendant itself has sought to claim trade proprietary right and monopoly in “DIMMER DOT”, it does not lie in their mouth to say that the word “DIMMER” is a generic expression.” It was further pointed out that the publication of the application made by the Plaintiff was with a disclaimer and that this by itself was indicative of the fact that the mark lacked distinctiveness.

37. In order to prove distinctiveness, learned counsel for the Plaintiff has contended that a descriptive and laudatory trademark is entitled to protection if it assumes a secondary meaning. In support of this contention, he has relied upon ***Godfrey Philips India Ltd v. Girnar Food and Beverages (P) Ltd 2005 (30) PTC 1 (SC)*** and ***Ishi Khosla v. Anil Aggarwal 2007 (34) PTC 370 (Del)***. In ***Ishi Khosla***, this Court while granting interim injunction held

that the mark “Whole Foods” had acquired secondary meaning and was not descriptive. It was further laid down that in order to acquire secondary meaning, “it is not necessary that product is in the market for number of years, as observed earlier. If a new idea is fascinating and appeals to the consumers, it can become a hit overnight.”

38. First it is necessary to consider the effect of the disclaimer in the present case and its effect if any on the distinctiveness of the Plaintiff’s mark. Section 17 of the the TM Act 1958 deals with the effect of a disclaimer, is set out below:

“17. Registration of trade marks subject to disclaimer

If a trade mark--

(a) contains any part--

(i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

(b) contains any matter which is common to the trade or is otherwise of a non-distinctive character;

the tribunal, in deciding whether the trade mark shall be entered or shall remain on the register, may require as a condition of its being on the register, that the proprietor shall either disclaim any right to the exclusive use of such part or of all or any portion of such matter, as the case may be, to the exclusive use of which the tribunal holds him not to be entitled, or make such other disclaimer as the tribunal may consider necessary for the purpose of defining the rights of the proprietor under the registration:

Provided that no disclaimer shall affect any rights of the proprietor of a trade mark except such as arise out of the registration of the trade mark in respect of which the disclaimer is made.”

39. The corresponding provision in the TM Act 1999 is Section 17, which is set out below:

“17. Effect of registration of parts of a mark

(1) When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.

(2) Notwithstanding anything contained in sub-section (1), when a trade mark--

(a) contains any part--

(i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

(b) contains any matter which is common to the trade or is otherwise of a non-distinctive character,

the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.”

40. What is common to the two provisions is that they treat differently the class of marks that are “common to trade” or are “otherwise of a non-distinctive character.” The difference is that under the 1958 Act recognises the concept of disclaimer in respect of the non-distinctive part of the mark and yet preserves the right of a proprietor of such mark to seek protection of such mark unaffected by such disclaimer. The 1999 TM Act on the other hand does not recognise any concept of disclaimer. It states that the proprietor of such mark shall have no exclusive right in respect of such mark notwithstanding that he may have a registration of such mark in his favour.

41. As far as the present case is concerned, it may be recalled that the Plaintiff’s application was for the artistic logo with the word/mark FOODWORLD which contains a device of a globe in the letter ‘O’. This application was advertised in the Trade Marks Journal No. MEGA 3 dated 14th October 2003 with a disclaimer condition that the registration of this

trade mark would give no right to the exclusive use of “GLOBE ALONG WITH FOOD & WORLD.” This Court fails to appreciate how the said disclaimer helps the Defendant to show that the Plaintiff’s mark is not distinctive. In the first place, the Plaintiff is not claiming inherent distinctiveness of the mark but distinctiveness on account of long usage. Secondly, at the time when the Plaintiff’s first application was made in 1994 the 1958 Act applied. In terms of the 1958 Act the mere fact that there was a disclaimer would not prevent the Plaintiff from seeking an injunction against passing off. Thirdly, since the marks are identical, if the Plaintiff’s mark is merely descriptive, then so is the Defendant’s. In terms of the 1999 Act neither can claim any right of exclusive use to such mark. Fourthly, the Defendant applied for and obtained registration of the mark FOODWORLD. The Defendant cannot possibly contend that the mark is not one in respect of which there cannot be an action brought by the Plaintiff against the Defendant for passing off.

Evidence as to distinctiveness

42. There can be no doubt that the mark FOODWORLD is not inherently a distinctive mark. It is the case of the Plaintiff that the mark has attained distinctiveness on account of long usage. This calls for examination of the evidence led by the Plaintiff on the point. Much of this evidence is also relevant for the issue whether the Plaintiff is the prior user of the mark.

43. The Plaintiff states that it has been using the mark FOODWORLD continuously since 1987 in relation to the food catering business. There are invoices of FOODWORLD, having its office at Greater Kailash in New

Delhi, of the years 1990, 1991, 1992, 1993, and 1995 onwards. Letters addressed to the Senior Commercial Manager (Catering), Northern Railways of 1st January 1997 including the bills for the period 16th December 1996 to 31st December 1996 of the New Delhi-Jaipur-Ajmer-New Delhi Shatabdi. There are exhaustive invoices of 1997, 1998, 1999. The agreement for running mobile catering services with the Northern Railways dated 13th March 1995 (Ex.PW 1/3.1) has been duly proved. Of course, this agreement is with FOODWORLD which is the proprietary concern, of which Shri Dogra is the sole proprietor. Then we have sales tax registration in respect of M/s. FOODWORLD with its registration valid from 17th March 1989. We have assessment orders for the period 31st October 1987 to 31st March 1988; 1st April 1988 to 16th March 1989 and 17th March 1989 to 31st March 1989. There are assessment orders for the years 1989-90, 1990-91, 1991-92, 1992-93 onwards all in the name of M/s. FOODWORLD. The assessment order dated 29th March 2004 for the year 2002-03 notes that the Plaintiff is providing food services. The turnover figures are also given in these assessment orders.

44. Ex. PW 2/1 is the statement of sales turnover of the Plaintiff for the year ending 31st March 1988 to 31st March 2005 as certified by PW2 Sh. Pradeep K. Nagpal, the Chartered Accountant of the Plaintiff. Ex. PW 2/2 contains the balance sheets of the Plaintiff from the year 2001 till the year ending 31st March 2005. From these documents, it is evident that the sales turnover of the Plaintiff has increased from Rs. 1,18,663 (in 1988) to Rs. 9,88,01,846 (in 2005).

45. Then we have the evidence of the Defendant himself. In his reply in the cross-examination, the Defendant has tacitly admitted that the mark is not only distinctive but that there is likelihood of deception by using the word FOODWORLD by some other person. There has been no attempt at re-examining the Defendant on this aspect. Therefore on the first aspect of distinctiveness, it must be held that the Plaintiff has been able to establish that its use of the mark FOODWORLD in relation to institutional catering has attained distinctiveness on account of long usage. But then this is only the first of the requirements in the action for passing off.

Reputation and goodwill

46. The second requirement is that of goodwill and reputation. The law in this regard has been summed up neatly in *Perkins v. Shone* 2004 EWHC 2249 (*Ch D*) as under:

“Commercially goodwill is recognised as a form of property, and transactions in goodwill occur constantly in all areas of business. The law also recognises that goodwill exists, and affords it a measure of protection through the law of passing off. However, the degree of legal protection is not as extensive as the factual and commercial content of goodwill. To some extent that is necessarily so given the factors which make up the goodwill of a business or of a particular line of business. The essence of goodwill has been encapsulated judicially in Lord Macnaghten's expression 'the attractive force which brings in custom': *IRC v Muller* [1901] AC 217 at 223. To a large measure it lies in the de facto expectation that an established line of business will continue: that the customers will carry on purchasing the goods or services and that the suppliers will carry on providing the supplies which enable the goods or services to be provided. But those are not matters which can be given legal protection as some species of property right. The goodwill value of a business can be reinforced by making long term contracts with customers or suppliers, but goodwill can exist and can have a significant value even in the absence of long term contracts. In such cases it exists as a commercial reality although major elements of it do not and cannot receive legal protection.”

47. The Defendant has argued that the Plaintiff has not proved user of the

mark on its goods and services as such. In other words, it is the case of the Defendant that the Plaintiff has no reputation of its own; it is wholly dependant on a single customer viz., the Railways to build its entire reputation. The fact however is that the Plaintiff has been able to bring on record suggestion/complaints books of passengers using the trains in which the Plaintiff renders catering service. The comments of a representative sample of some of the passengers does show that the Plaintiff has been able to build a name for itself in catering business. Its logo and mark is displayed in the paper tissues, the sachets etc. served with the food on the trains. The mark and logo have therefore good visibility. The catering services are also on trains that criss-cross the country.

48. There is also merit in the contention of the learned counsel for the Plaintiff that the requirement of the law is about the use of the mark in any form not limited to use on goods. Under Section 2(2)(b) of the 1958 Act, the use of mark in relation to goods shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods. The use of a mark shall be construed as a reference to the use of a printed or other visual representation of the mark. In terms of the 1958 Act which was in force when the alleged passing off took place, the contention of the Plaintiff that its user of the mark FOODWORLD for its catering services must be considered as use of the mark by it has merit. A collective appreciation of the above evidence leads this Court to the conclusion that the Plaintiff has been able to prove the existence of the next element of a passing off action, viz. that in relation to catering services the Plaintiff has a reputation and goodwill.

Deception and Confusion

49. The third and most crucial limb of the passing off action is for the Plaintiff to prove that the use of the identical mark by the Defendant has caused deception and confusion amongst the consumers and the trade. In his reply in the cross-examination, the Defendant has tacitly admitted that the mark is not only distinctive but that there is likelihood of deception if the word FOODWORLD were to be used by some other person. The question really, therefore, is whether the use by the Defendant of the mark FOODWORLD has lead to or is likely to lead to confusion and deception.

The plea of common field of activity

50. It is the plea of the Plaintiff that the Defendant is in a common filed of activity, being in the restaurant business, and therefore there was greater likelihood of confusion since the mark used by both of them was identical. It must be noted at this juncture that the Defendant's restaurants are not named 'Foodworld'. The Defendant is at present using the mark only as a part of its corporate/trade name. In order to appreciate whether the two are in a common filed of activity, the law in this regard may be first noticed. *Christopher Wadlow*, in **The Law of Passing Off**, (Thomson, Third Edn. 2004), while dealing with the relevance of "common fields of activity", states at page 341:

“....In the first place, the misrepresentation in passing-off is hardly ever an express one. Instead, the court has to decide whether in all the circumstances of the case the use by the defendant of a particular name, mark or get-up is likely to deceive. Clearly, the similarity or dissimilarity of the parties' respective fields of business is one more

important factor to consider. In general, the closer they are the more likely it is that the public will assume there to be a connection. Secondly, if the existence of a misrepresentation may be inferred, then the similarity of the fields of activity may again become relevant on the logically separate question of likelihood of damage.

The “common field of activity” has different degrees of relevance on the two issues. Where it is the existence of a misrepresentation which is in issue the matter is entirely one of degree: in a blatant case there need be no common field in any real sense at all, but even competition between the parties will not outweigh such factors as strong dissimilarities in the respective marks. On the issue of damage a more important criterion than the common field is the existence or absence of actual competition. If the claimant stands to lose sales to the defendant then damage will normally be inferred. If not, then similarities in the respective fields of business are still of some weight in deciding whether damage in one of the other forms recognised by law will occur, and on what scale.”

51. In *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 (Court of Appeal) Millet L.J. described the relevance of common field of activity in the following terms:

“What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

“. . . whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant”: *Annabel's (Berkeley Square) Ltd v G Schock* (trading as Annabel's Escort Agency) [1972] RPC 838 at page 844 per Russell LJ.

In the *Lego* case Falconer J likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one.”

52. The counsel for the Defendant has pleaded that as the Plaintiff is involved only in the business of catering and the Defendant is in hospitality business and runs and operates restaurants, there is no “common field of activity” leading to no deception or likelihood of confusion amongst the public or the prospective customers of the Plaintiff. In support of this argument, he relies upon *Sona Spices Pvt Ltd v. Soongachi Tea Industries Pvt Ltd 2007 (34) PTC 91 (Del)* and *First Computers v. A Guruprasad 1996 PTC (16) 27 (Mad) (DB)*. In *Sona Spices*, the Plaintiff who was the prior registered owner of trademark “Sona” was using the same for spices and was a recent entrant in tea business. However, the Defendant was using the same brand name for tea for around 30 years and was also a registered owner of the same brand name. This court rejected the Plaintiff’s application for interim injunction on the ground that the Defendant was a prior user of the mark ‘Sona’ in respect of tea business and the Plaintiff failed to prove any established business in respect of tea. Moreover, the Court allowed the Defendant’s application to restrain the Plaintiff from marketing tea under the trade name ‘Sona’. In *First Computers*, the Plaintiff was a trader in computes. He was not a manufacturer but sold already manufactured computers. The Defendant was neither a manufacturer, nor a seller of computers. His job was training people in the use of computers. In such circumstances where the likely customers were also educated people, the Division Bench of Madras High Court did not find any ground to grant interim relief to the Plaintiff. Reliance is also placed on the decision in

(*Del*). In that case, the Plaintiff was using the trademark “GREETINGS” in relation to biscuits, cakes and bakery products whereas the Defendant’s products were a combination of assorted biscuits. The Court refused to grant interim injunction and did not find it to be a prima facie case of interim relief to the Plaintiff.

53. In *My Kinda Town Ltd. v. Soll 1983 RPC 407* the Plaintiffs were running a restaurant in London under the name "The Chicago Pizza Pie Factory". The defendants were also operating a restaurant in London named "L.S. Grunts Chicago Pizza Company". The plaintiff used the words "Chicago Pizza" in its menu and in connection with all aspects of the restaurant as descriptive of this kind of pizza. The plaintiff filed an action seeking injunction to restrain the defendants from operating any restaurant under the name "L.S. Grunts Chicago Pizza Company" or any other name including the name "Chicago Pizza Co." The plaintiff alleged that the decor, contents of the menu and style of the defendants' restaurant were very similar to the plaintiffs' and that the use by the defendants of the name ‘Chicago Pizza Co.’ would cause confusion that the defendant’s restaurant was that of the plaintiff or one connected therewith. It was held by the Court of Appeals that the words “Chicago Pizza” were descriptive and the Plaintiff could not by incorporating such name as part of its corporate trading style claim a monopoly over such name. It was held that the plaintiff had to show that the use of the potentially confusing descriptive words ‘Chicago Pizza’ in the defendants' trading name was an “operative misrepresentation calculated in the circumstances to lead a substantial section of the public to the belief that

the two restaurants were connected”. Further it was held that the trial judge had rightly held that the words "Chicago Pizza" were descriptive of the main products served by the two restaurants, and that the plaintiff could not object to the defendants serving that kind of pizza under that name; such descriptiveness was a factor which fell to be considered against the background of the facts as a whole in assessing whether there had been a misrepresentation. It was observed that “having been a de facto monopolist, the plaintiff had to put up with a degree of confusion when the product to which it had given a descriptive name, and which it had until then been its monopoly, began to be sold by another.” Injunction was therefore refused.

Evidence of actual deception and confusion

54. In order to assess whether the fields of activity of the Plaintiff and the Defendant are common and whether in turn that has led to deception and confusion, the evidence has to be looked at. Here the Court would like to begin the discussion by noting that the kind of evidence which would have to be produced by a Plaintiff to show deception and confusion at an interlocutory stage would be qualitatively different from the evidence required to be produced at the final stage of the trial to prove deception. Where the trial of a suit has been pending for a number of years, it should be possible for the Plaintiff to produce such evidence to show actual instances of both deception as well as damage caused to the business and reputation of the Plaintiff. It hardly needs to be stated that most of the reported judgments in the area of trademarks are at the interlocutory stage of interim injunction where the entire discussion centers around the likelihood of deception and confusion. That question is answered invariably at the interlocutory stage on

the basis of pleadings and documents when the Court does not have before it the entire evidence.

55. Parker J. explained in *Burberrys v. Cording* (supra) the principles governing the kind of evidence required to prove passing-off:

“The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name or, indeed, in any other way, to represent his own goods as being the goods of another to that other’s injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property to protect which it is granted is not property in the word or name, but property in the trade or goodwill which will be injured by its use. If the use of a word or name be restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or it calculated to injure, another in his trade or business.

If no case of deception by means of such misrepresentation can be proved, it is sufficient to prove the probability of such deception, and the court will readily infer such probability if it be shown that the word or name has been adopted with any intention to deceive. In the absence of such intention, the degree of readiness with which the court will infer probability of deception must depend on the circumstances of each particular case, including the nature of the word or name the use of which is sought to be restrained.

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But whatever be the nature of [*sic* or] history of the word or name, in whatever way it has been used, either by the person seeking the injunction or by others, it is necessary, where there has been no actual deception to establish at least a reasonable probability of deception. In such cases the action is, in effect a quia timet action, and unless such reasonable probability be established, the proper course is, in my opinion, to refuse an injunction, leaving the plaintiff to his remedy if cases of actual deception afterwards occur.”

56. Taking a cue from the above observations, this Court is of the view that in a suit for passing off at the final stage it is not sufficient for the Plaintiff to

merely talk of a likelihood of deception and confusion. *Christopher Wadlow*, the Law of Passing Off, 3rd Edn (2004), states at page 590:

“It often happens that one and the same sign, or two closely similar, may be in use by more than one business. On the traditional understanding of the tort, it was necessary for the claimant to prove that the sign relied on was distinctive of him alone in whatever might be defined as his field of business. The modern definition of the law is based on misrepresentation. If the sign is used by the claimant alone, then the likelihood is that it is distinctive of him and adoption of it by a competitor raises a *prima facie* case of passing-off. If this is not the case, then one must look beyond the sign itself at all the relevant circumstances to see if the defendant is making a misrepresentation that his goods of business are those of the claimant. If so, it need not matter that the claimant’s case may rely to some extent on a sign which is not unique to him. So in *Parker & Son (Reading) v Parker* [1965] RPC 323 the common surname *Parker* was used by several estate agents in or near Reading, but it was abundantly clear that the defendant was passing himself off as the plaintiffs’ and in *Mappin & Webb v Leapman* (1905) 22 RPC 398 the defendant claimed that *Mappins’ All Quality* on his goods denoted a separate business carried on as *Mappin & Sons*, but he too was clearly passing them off as the plaintiffs’.”

57. In **Kerly’s Law of Trademarks and Tradenames**, 13th Edn (2001) at Page 522 it is stated:

“Instances of actual deception need not be proved if the court is otherwise satisfied of the probability of deception; although in the absence of cases of actual deception the evidence adduced must be “of the most cogent sort”. On the other hand, cases of actual deception are not necessarily conclusive: for example, where their number is comparatively insignificant; or where the defendant has done nothing but what he was entitled to do, as where he has only used marks common to the trade. Furthermore, people who allow themselves to be deceived seldom make good witnesses, with the result that their evidence can usually be brushed aside by a judge who is not otherwise convinced.”

58. Therefore what becomes important to prove deception and confusion is both the extent and the quality of the evidence. When one examines decisions of courts in the U.K. in passing off actions, after the evidence has

concluded, then it can be appreciated that several categories of consumers and exhaustive trade evidence is led to prove actual deception and confusion. Even to show a likelihood of confusion, the evidence is of a number of consumers and not merely the parties to the suit. In *Christopher Wadlow, the Law of Passing Off*, Third Edn (2004), it is stated at page 807:

“There is no doubt that evidence is admissible from actual consumers as to whether they would be deceived, and this applies *a fortiori* to evidence of actual deception. Conversely, absence of evidence of actual deception when the defendants’ conduct has persisted openly for a substantial period of time may justify the inference that such deception has not occurred on any significant scale. This obviously does not apply if the action is *quia timet* or effectively so, and the speed with which passing-off actions may now be brought to trial also provides a reason why evidence of actual confusion may not be forthcoming.”

59. In *Neutrogena v Golden [1996] RPC 473* Jacob J. explained the risks involved in such decision being formed only on the basis of a judge’s subjective perception of what is likely to cause deception. He said:

“If the judge’s own opinion is that the case is marginal, one where he cannot be sure whether there is a likelihood of sufficient deception, the case will fail in the absence of enough evidence of the likelihood of deception. But if that opinion of the judge is supplemented by such evidence then it will succeed. And even if one’s own opinion is that deception is unlikely though possible, convincing evidence of deception will carry the day. It was certainly my experience in practice that my own view as to the likelihood of deception was not always reliable. As I grew more experienced I said more and more ‘it depends on the evidence’.”

60. Likewise in *Chocosuisse Union des Fabricants Suisses de Chocolat and others v Cadbury Ltd 1999 RPC 826 (CA)* it was held that the question whether or not there had been, or was likely to be, confusion between the Cadbury product "Swiss Chalet" and chocolate made in Switzerland “was a question of fact for the judge who had heard the witnesses; and who had a

much better opportunity than this court can have to evaluate what he described as the "flavour" of the evidence." The appellate court was advised to "resist the invitation - even, at times, the temptation - to retry what are in essence 'jury' questions on the basis of witness statements and transcripts of evidence." In fact in the said case extensive evidence of actual consumers was led to prove the existence of actual deception and confusion. For more instances involving evidence of likelihood of as well as actual confusion, see *Wagamama Ltd. v. City Centre Restaurants* [1995] FSR 713 (Ch D) and *Brestian v. Try* [1958] RPC 161 (CA).

61. In *H.P. Bulmer Ltd. and Showerings Ltd. v. J. Bollinger S.A.* [1978] RPC 79 it was observed by Buckley, L.J. (at p. 106):

"In the absence, as I think, of reliable direct evidence of public confusion, was the learned Judge justified in inferring that a substantial portion of the public have been, or are likely to be, misled into believing that Babycham is what the Judge described as a "Champagne product"? (Judgment page 134, line 20). In reaching this conclusion the Judge seems to have entirely disregarded, or at any rate to have given no weight to, the fact that for some 25 years Babycham had been advertised and sold on the very large scale which I have mentioned. If there were any real likelihood of confusion, it seems to me inconceivable that the defendants would not have been able to adduce direct evidence of it. Not a single witness from the general public was called to say that he had been confused or misled. Not a single publican was called to say that he had experience of customers who had been confused; and the vast majority of sales of Babycham in the United Kingdom take place in public houses. The only witness from the catering trade was Mr. Martin who at the relevant time was concerned only with an off-licence business, and whose evidence in my view merits very little weight."

62. In *Morecambe and Heysham v. Mecca Ltd* (1966) RPC 423 it was observed (at p. 439):

"Similarly, I find it very hard to believe that a member of the public, knowing of the plaintiffs' contest and anxious to attend the finals at

Morecambe, would find himself or herself by mistake sitting in the Lyceum in Drury Lane. In the absence of evidence of actual confusion during the five years throughout which the defendants had been conducting their contest under the title 'Miss Britain', I do not feel able to come to the conclusion that I ought to treat confusion as being something that is likely to occur; and for that reason, although I confess that I feel some sympathy for the plaintiffs in this case. I do not feel able to grant them the relief which they seek.”

63. In *Harrods Ltd v Harrodian School Ltd*. (supra), the question was whether the use by the Defendant of their name (Harrodian School) would lead to confusion among the public that they were misrepresenting themselves as being connected with the Plaintiff (Harrods Ltd). The injunction was refused for lack of evidence of actual deception and confusion. Millet LJ., observed:

“If any confusion really did exist then, given the time which elapsed between the publication of the brochure, the opening of the school, and the trial, I would have expected the plaintiffs to be in a position to call evidence that some of their huge number of customers had asked for a brochure for the school or had enquired whether the store supplied uniforms for the school, or had otherwise manifested their impression that the school was connected with the store. No such evidence was called.”

It was held that the Plaintiffs had “failed on the evidence to establish any real likelihood of confusion or damage to their goodwill.”

64. The Plaintiff has relied on the decision in *Mahendra and Mahendra Paper Mills Ltd v. Mahindra and Mahindra Ltd. AIR 2002 SC 117* to contend that the question of likelihood of confusion or deception has to be decided by courts and not by testimony of witnesses. It requires to be noticed that in *Mahendra* the Supreme Court was dealing with a case in

which the Defendant-company was yet to commence its business and utilise the name of 'Mahendra' or 'Mahendra & Mahendra'. The Plaintiff was using the name 'Mahindra' and 'Mahindra & Mahindra' since five decades. In the present case, the Defendant is already engaged in its business and has been using the mark FOODWORLD for well over a decade. The observation of the Supreme Court in *Mahendra*, therefore, would not be applicable to the present case where the Defendant is already in the market for a considerable period of time. Hence, in the present case, the burden is on the Plaintiff to prove likelihood of or actual deception or confusion by leading some concrete evidence.

65. The mere stray statement of the Defendant in his cross examination that the use of the mark FOODWORLD by any other person is likely to cause deception or confusion cannot be determinative of the issue whether in fact the use by the Defendant of the mark is likely to or has actually caused deception and confusion. While the Plaintiff has been able to lead evidence to prove his reputation and goodwill, there is really no evidence of actual deception and confusion. It is not possible to go by the mere likelihood of confusion when both the Plaintiff and Defendant have been co-existing in their respective fields of business for several years without there being anything to show that the Defendant has harmed the Plaintiff's business as a result of the use of an identical mark as part of its trading name.

66. The case of the Defendant is that it is not in the same line of trade as that of the Plaintiff. The evidence shows that the Plaintiff essentially provides catering services for the Railways. It provides packaged food on trains. The

Plaintiff does not appear to have entered into any other business activity during these years. On the other hand, the Defendant has not entered into the field of outdoor and institutional catering. None of those restaurants run by the Defendant have been named by it using the mark FOODWORLD. Its restaurants are known by the names 'Lotus Pond' and 'Bamboo Shoots'. The Defendant only appears to be using the mark as part of its trade name or corporate name and on its invoices. Therefore as far as no common field of activity presently exists, it is not possible to hold that there is likelihood of deception and confusion on account of the use of the mark FOODWORLD by the Defendant.

67. As regards the elements of passing off, while the Plaintiff has been able to show that it is the proprietor and the prior user of the mark FOODWORLD and that it has built a reputation in the area of catering services using that mark, the Plaintiff has been unable to show that the Defendant's use of such mark as part of its trading name and for restaurant business has caused or is likely to cause deception or confusion. The Plaintiff has also not been able to prove actual damage to its reputation and business.

68. As the discussion on the succeeding issues show, the Defendant is no doubt using an identical mark and is also not a prior or honest user of the mark. It may be a concurrent user of the mark since 1998. Nevertheless, the Plaintiff has not been able to prove the essential element of passing off which is deception and confusion among the consumers and the trade as regards the Defendant's use of the mark as part of its trading name for the

business of running restaurants. Issue No.3 is accordingly answered.

Issue No.4: *Whether the Defendant is prior user of the trademark/trade name FOODWORLD?*

69. The Plaintiff's application for registration of the mark in question is pending whereas the Defendant has got registration for the trademark FOODWORLD in its favour. The plea of the Defendant in resisting the passing off action is that it is the prior user of the mark. The onus is therefore is on the Defendant to make good this plea.

70. In its application filed for registration of the trademark, the Plaintiff disclosed that it has been using the mark since 1st August 1994. In the notice of opposition filed on 24th February 2004 by the Defendant, it claimed that "the opponent adopted the said trademark in relation to the aforementioned goods in the year 1998 and has been continuously using these since then up to the present time." In the application filed in Classes 30 and 29 the Defendant claimed its user since 2001. It is plain that as far as the question of prior user is concerned, the Plaintiff has already placed on record invoices of the proprietary concern showing the name FOODWORLD as well as the logo from as early as 31st March 1990. It has also placed on record the sales tax document which shows that it had a registration in its favour since 17th March 1989.

71. The Defendant, on the other hand, has been able to show invoices only from 1st June 1999. The Defendant's sales tax documents are that of after 1999. There is no question therefore of Defendant succeeding in its plea of

being the prior user. On the other hand, the Plaintiff has been able to successfully show that it is the prior user of the mark in relation to the services provided by it. Accordingly Issue No.4 is answered against the Defendant and in favour of the Plaintiff.

Issue No. 5: *Whether the Defendant is entitled to use the trademark/trade name FOODWORLD on account of honest and concurrent use?*

72. We then come to the plea of the Defendant that it is an honest and concurrent user. The counsel for the Defendant claims its use of the mark FOODWORLD to be honest and concurrent to the Plaintiff. In support of his claim, the Defendant has relied upon the decision in ***London Rubber Co. v. Durex Products 1964 (2) SCR 211***. In that case, Durex Products Inc., of New York City, U.S.A. made an application before the Deputy Registrar of Trade Marks for registering the mark "Durex" used by it on contraceptive devices. Its claim was disputed by the London Rubber Co., Ltd., London, a well-established manufacturer of surgical rubber goods and registered owner of the mark "Durex". The objection of London Rubber Co. was overruled. The appeal was also dismissed by the High Court. The Supreme Court restored the order of Deputy Registrar on the ground of honest and concurrent use as there was no single instance of deception and no likelihood of deception either.

73. Challenging the contention of "honest and concurrent use", the counsel for the Plaintiff has relied upon the cases of ***B.K. Engineering v. UBHI Enterprises AIR 1985 Del 210 (DB)***, ***Power Control Appliances v. Sumeet***

Machines Pvt Ltd. 53 (1994) DLT 723 (SC), Century Traders v. Roshan Lal Duggar AIR 1978 Del 250 and Laxmikant V. Patel v. Chetnabhai Shah and Anr (2002) 3 SCC 65. In *B.K. Engineering*, the Plaintiff and Defendant firms were engaged in the manufacture of cycle bells. The Plaintiff was using the mark “B.K.” whereas the Defendant was using the mark “B.K. 81” for its cycle bells. As the misrepresentation was prima facie established being in its nature calculated to deceive, the Court granted temporary injunction in favour of the Plaintiff.

74. The decision on this issue essentially turns on the evidence. The replies given by Mr. Sameer Puri in his cross-examination on this aspect are inconsistent. He stated as under:

“I am the Director of the defendant company since its inception i.e. 1998.

Prior to 1998 I was in the same business of hospitality business of managing, running and creating restaurants besides catering services.

The said business was under the name and style “Ranch Gourmet Services Pvt. Ltd.”

I was also the Director of the said company but I was not the promoter of the said company. I joined “Ranch Gourmet Services Pvt. Ltd.” in 1992.

I did my hotel management three year diploma course in 1994, thereafter I started working with various organizations.

I worked with Mc Dowell, Meridian, Maurya and Indian Airlines.

I had submitted a tender for catering services in Railways around 1993-94 while I was working with “Ranch Gourmet Services Pvt. Ltd.” I do not recall exact date.

I did not get any opportunity to cater for the Railways.

Last I met Mr. I K Dogra 2 to 3 years back. We were colleagues in Mc Dowell during the period 1985-86.

I was not aware about the application of tender by Mr. I K Dogra to cater for the Railways in the year 1993 or 1994. Even I was not aware about the application of the tender of Railway catering by other persons.

I did not make any efforts to find out the competitors because it was too early stage.

I am duly authorized to sign and verify the written statement.

I am not sure as to whether I have placed my authorization to sign the written statement or to depose on behalf of the defendant but the same can be produced as and when required.

I was the Promoter/Director of the defendant company. Me and my partner decided to conceive the company's name “FOODWORLD”. We did not have any specific reason to put that name but after 15 to 30 minutes thought we decided to choose that name.

Ques: You chose to adopt the trade name the word “Foodworld” because the same was related to the food items and not otherwise?

Ans: This could have been one of the reason.

I was not aware that Mr. I K Dogra was also in the food business under the same trademark “Foodworld”.

There is another company in Chennai which was also operating its business under the same trademark “Foodworld”. I became aware when they filed objections before Registrar of Trademarks.

The name of the said company was “Spencer” which was Chennai based.

I am not sure, if I had opposed the application of trademark “Foodworld” by anybody else.

In 2001 we had applied for registration of the trademark. In 2004 somewhere in the month of January and February we became aware that Mr. Dogra has also applied for trademark “Foodworld”. Thereafter, we opposed the same. In the month of August 2004, Mr. Dogra sent a legal notice which was duly replied to.”

75. The following factors are apparent from an analysis of the above evidence. First, it is plain that Mr. Puri knew even at the time he planned to start his business that Mr. Dogra was in the business of catering. It is unlikely that Mr. Puri while working with Ranch Gourmet Services Pvt. Ltd. in 1993-94 and having submitted a tender for catering services in the

Railways, was unaware of the Plaintiff as a proprietary concern having submitted similar tender. In fact, Mr. Puri states that “prior to 1998 I was in the same business of hospitality business of manufacturing, running and creating restaurants besides catering services.” Although he states that he was not aware of the application for tender by Mr. Dogra to catering for the Railways in the year 1993-94, this reply does not inspire confidence. Also the reply that he and his partner decided to conceive the company’s name FOODWORLD without any specific reason but only after thinking for about 15 to 30 minutes does not inspire confidence. Both the entities are in the catering business and the coinage of the word FOODWORLD by the Defendant does not appear to be something that they could have thought of at the spur of the moment. It is significant that the Defendant never filed a suit to restrain the Plaintiff from infringing the mark FOODWORLD. This is despite filing the notice of opposition in 2004 before the Registrar. The prior user also indicates that the Plaintiff was already in the business since at least 1989. It is not, therefore, possible to accept the plea of the Defendant that its user of the mark FOODWORLD was honest. It is, however, possible that the Defendant was a concurrent user after 1998 but not in relation to the catering services with which the Plaintiff’s mark is associated. Issue No.5 is answered accordingly.

Issue No. 7: *Whether the Plaintiff is guilty of suppressing material facts and has not come to court with clean hands?*

76. The submission of the Defendant is that by not disclosing in the plaint that the publication of the application of the Plaintiff in the Trademarks Journal for registration of the mark FOODWORLD was with a disclaimer,

the Plaintiff had suppressed a material fact and was therefore not entitled to any relief. This Court has already held that nothing really turns on the disclaimer as far as the Plaintiff is concerned. Its right to seek an injunction for passing off still remains. Moreover, it is not as if any interim relief was granted to the Plaintiff. Therefore no prejudice can be said to have been caused to the Defendant as a result of the non-mention of this fact in the plaint. Finally, the Plaintiff has placed on record the copy of the relevant page of the Trademarks Journal which clearly mentions the disclaimer. It is therefore not as if this material was totally suppressed from the court. Accordingly this issue is answered in favour of the Plaintiff and against the Defendant.

Issue No.8: *Whether the Plaintiff is entitled to any relief as prayed for?*

77. In his cross-examination the Defendant has stated that “the brand name FOODWORLD is not only used in the restaurant, it is also used in the outdoor catering services and institutional catering services.” He states that the Defendant has been submitting quotations for institutional catering since 2003. It appears to this Court that as long as the Defendant’s field of activity is restricted to restaurants and it uses FOODWORLD as part of its corporate name and there can be no element of confusion or deception as long as this position remains unchanged. However, if as stated by the Defendant, he has been submitting tenders for institutional catering and outdoor catering as well, then there is a likelihood of deception and confusion if the Defendant enters these fields. Therefore while the Defendant cannot, on the basis of the evidence that has emerged, be enjoined from continuing to run its restaurants under the present names, if it

enters the institutional catering and outdoor catering business, then there is more than a likelihood of the deception and confusion since that would be an identical field of activity. In the latter contingency the Plaintiff would be entitled to an injunction to restrain the defendant from using the mark for such activity.

78. A limited conditional injunction is possible to be granted in certain contingencies. In **Kerly's Law of Trademarks and Tradenames**, 13th Edn. (2001) at 676 it is stated:

“In a case where it may be possible for the defendant to use the mark or name in question without passing off, the injunction is granted in qualified form.

Where the mark or name is one in which the claimant cannot claim an exclusive right, but which to many people indicates his goods or business, it is proper to qualify the injunction against using it by such words as “without clearly” (or “sufficiently”) distinguishing his goods from the claimant's. In cases where use of the mark or name without qualification need not be deceptive, an even weaker form may be employed: the prohibition being qualified by the addition “so as to represent” or “so as to lead the belief” that the defendant's goods or business are the claimant's. In the special case of a word that is used by some as a description of the goods, although to some it is a trade mark of the claimant, what is known as the “Havana” or “Corona” form may be adopted, the prohibition being qualified by such words as “without making it clear to the customer that it is not of the goods of the claimant”.”

79. The situation then boils down to this. As long as the Defendant does not enter the fields of business of institutional and outdoor catering services, it can continue to use its present corporate name and conduct its business as at present. However, in the event the Defendant enters the business of institutional and outdoor catering services the Defendant will be enjoined from using the mark FOODWORLD as part of its corporate name and as part of its business and services. An injunction, to this extent, will issue

against the Defendant and in favour of the Plaintiff.

80. As regards other reliefs, the Plaintiff has not been able to prove actual damage, if any, that has resulted from the Defendant having used the mark FOODWORLD in respect of its line of business. Accordingly the prayer for damages is rejected. There is no need therefore for the Defendant to be ordered to render accounts or deliver up any documents. These prayers are also rejected.

81. The suit is accordingly decreed in part to the above extent. Costs to be borne by the parties. Decree sheet be drawn up accordingly.

S. MURALIDHAR, J.

November 30th, 2009
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