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

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20.11.2019

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FAO 221/2016

PARLE PRODUCTS PVT. LTD. & ANR.

..... Appellants

versus

B & B BAKE PVT. LTD.

..... Respondent

Advocates appeared in this case:

For the Appellants: Mr. Salman Khurshid, Sr. Advocate with Mr. N.K. Bhardwaj, Mr. Zafar Khurshid, Mr. Bikash Ghorai, Ms. Sanchita Ain, Mr. Khowaja Siddiqui, Mr. Ashwini Kumar, Mr. Raghav Kakar, Mr. Arup Sinha, Mr. Suraj and Mr. Puneet Kumar, Advocates.

For the Respondent: Mr. Neeraj Grover, Mr. Aditya Singh, Mr. Mehak Nakra & Mr. Abhishek, Advocates.

CORAM:

HON'BLE MR. JUSTICE NAJMI WAZIRI

FAO 221/2016 & CM 18301/2016

1. This appeal impugns the injunction order passed by the learned Trial Court restraining the appellant from using the word *AMERICANA* and/or '*LA AMERICANA*', for sale butter cookies, bakery and other allied products. According to the appellants the words are geographical and cultural indicators, they are dictionary words and cannot be appropriated by anyone, at least not by the respondent/plaintiff, as the said words have not acquired secondary meaning for the plaintiff's bakery products. The words are not the plaintiff's registered trademarks besides other persons are already using the said or similar words in class 30.

2. The respondent (plaintiff) had sought the injunction in a suit claiming prior user of the same words for their bakery products and that the i) adoption and use of the mark *AMERICANA* by the defendants/appellants was dishonest; ii) the unwary class of purchasers of the plaintiff/respondent's goods is bound to be confused and/or deceived into believing that the appellants goods are sourced from the plaintiff, iii) that the plaintiff's goodwill will be used to unfairly boost sales of the appellant's butter cookies and cashew cookies iv) that adoption of the trademark by the appellant is likely to dilute the brand value of the plaintiff's trademark '*AMERICANA*' and '*LA AMERICANA*' and v) the passing-off activity of the appellants by flooding the market with their Americana Butter Cookies has caused immense loss to the plaintiff's business by unfair competition.

3. The impugned order has reasoned as under:

“4) Before advertizing further, one argument of the defendant is to be met out whereby Cl. for defendants has argued that the injunction should be vacated, as names of the parties in array of parties has been manipulated. He has relied upon one judgment 2010(44) PTC372 (Del) titled as Som Brothers and Co. Vs. Bread House and Anr decided by Hon'ble High Court. I have gone through the said judgment and in para no. 12 of the same it has been mentioned that there is practice of making main contesting party as defendant no. 2 with a view to avoid detection by the main contesting party. This observation has been made in a suit of original side filed in Hon'ble High Court of Delhi whereby the detection might be possible but here in District Courts no Caveat by Parle Co. had been filed so to avoid any ex-parte injunction. Herein the present case mandatory provisions of CPC for disposal of application u/o 39 Rule 1 and 2 CPC within 30 days of the ex-parte interim order is

hereby adhered as the interim order was passed on 6.4.16 and the application u/o 39 Rule 1 and 2 CPC is being disposed off vide present order today. Ld. Cl. For plaintiff has submitted that there is no mention in CPC as to how the parties are to be arrayed and hence he has not arrayed the parties in any particular manner, besides that when main application is being disposed off and he is not delaying the disposal of the same, hence there is no malafide in his part. Even otherwise, if defendant no. 2 would have been made defendant no. 1 then also it would hardly had made any difference because in that eventuality also, the defendant no. 2 would have no knowledge of the filing of the present suit before Ld. District & Sessions Judge, North for want of caveat. Moreover, in the judgment relied upon by Cl. for defendant the application u/o 39 Rule 4 CPC was moved for vacation of stay and on that ground stay was vacated. Same request had already been made on 12.4.16 when on first day the defendants have appeared. Now that stage is gone as this is the stage of disposal of application u/o 39 Rule 1 and 2 CPC finally. In the judgment supra Hon'ble High Court has only vacated the stay on that ground but kept the option open for deciding the application u/o 39 Rule 1 and 2 CPC after going through prima facie case, balance of convenience and irreparable loss and injury as mentioned in para no. 36 of the judgment. So, now there is no question of vacation of stay but it is the stage of decision of application u/o 39 Rule 1 and 2 CPC. So, in these circumstances the judgment relied upon by the Ld. Cl. for defendant is distinguishable from the present case.

5) It is not disputed that in the present matter action of defendant alleged is off passing off and not of infringement. It has also come on record that plaintiff is having prior use of the word AMERICANA. It is also not disputed that, he has applied for registration of this name prior to the application of defendant. Hence, plaintiff is on a better footing than the defendant and passing off action in these circumstances lies. There is no answer to the query raised by the court from defendant as to why defendant is

interested in using this word when it was already in market as used by the plaintiff who is also having quite considerable turnover as made out from the record. Ld. Cl. for defendant has argued that as the plaintiff is using the name AMERICANA in case of burger buns and they are using the same in biscuits, hence they should be allowed to use the same because the word is used for different category of products. However, the same would have been good argument if the defendant would have been using it for some other category of products/trade like toiletries, crockery, clothing, home accessories etc. but here the both the parties are using the word AMERICANA on bakery items and plaintiff has also argued that they are also bringing their biscuits under the said trademark, hence they have filed prior suit for safeguarding their goodwill. So, this argument of defendant is not tenable as both the companies are competing in similar trade, so prima facie case of passing off is made out. Further question of goodwill has also been raised whereby it was stated that plaintiff has goodwill in North India only and not all over India as compared to defendant- who have much more turnover and goodwill all over India. Again the argument is fancy full because goodwill cannot be calculated in terms of money and goodwill can be held to be existing even if it is limited to be among small, portion of people, area or State as it is related to the quality of service offered. The question which has to be seen is whether the use of the alleged trademark can bring misconception in the minds of general public while regarding identity of both plaintiff and defendant. Here it is not the case that some deceptively similar word has been used by the defendant, rather in the present case similar words/trademark has been adopted by the defendants and their goods are also in market when plaintiff is prior in adoption of the same in bakery products. Hence, it cannot be said that there won't be any misconception in the minds of general public and definitely there would be confusion in the minds of public while purchasing the products as to whether it is the product of defendant company or of

plaintiff company. Hence, irreparable loss to the goodwill of the plaintiff is clearly made out. Cl. for plaintiff has rightly placed reliance upon AIR 2005 SC 1999 titled as Dhariwal Industries Ltd. And another Vs. M/s M.S.S. Food Products wherein mark "Malikchand" was being used though not publicized by the original owner i.e. plaintiff whereas defendants started the use of mark "Manikchand" in a large scale at a subsequent time. Defendant was restrained from using the said mark and it was observed that "No material to shiDW that trial court and High Court committed any error In granting Injunction by prima facie accepting the case of prior user." Further, Cl. for plaintiff rightly placed reliance upon PTC (Suppl)(l) 720(Del)(DB) High Court of Delhi titled as Century Traders Vs. Roshan Lai Duggar & Co. wherein it was observed that "in case of passing off action for claiming relief, it is not necessary to show that the trade mark had been used for a considerable length of time but a single actual user with an intent to continue such use is enough". Reliance was also rightly placed upon 2002(24) PTC (SC) tiled as Laxmikan V. Patel Vs. Chetanbhat Shah & Anr. Wherein it was held that "A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit anyone to carry on his business in such a way as would persuade the customers or clients In believing that the goods or services belonging to someone else are his or are associated therewith." So in view of the above citations produced by defendants loses its significance.

6) Defendant has further argued that plaintiff has sought Rs. 5 lakhs towards rendition of accounts for which they are ready to deposit the said amount, hence injunction should not be granted. On the other hand plaintiff has rightly

argued that right now he is not having any access to the account of defendants and he cannot claim very excessive amount without having access to the account of defendant, hence has claimed a nominal figure and he will quote actual figure later on when the case will reach finality after leading of evidence of both the parties and this cannot be a ground to deny the injunction. I agree with the contention of Cl. for plaintiff that at this stage mere depositing of Rs.5 lakhs by defendants would not be sufficient to deny relief of injunction when as per above observations, it is clear that prima facie case and balance of convenience lies in favour of the plaintiff and if injunction is not granted to the plaintiff same would amount to irreparable loss and injury to the plaintiff. Accordingly application u/o 39 Rule 1 and 2 CPC moved by the plaintiff is hereby allowed and defendants their proprietor, partners, directors, as the case may be, their servants, agents, stockiest, dealers, representatives and/or others acting for and on their behalf are hereby restrained from manufacturing, selling, offering for sale bakery products and/or other cognate and/or allied goods and services under the mark AMERICANA and/or any other mark as may be identical and/or deceptively similar to the plaintiffs prior trade marks AMERICANA and/or LA AMERICANA amounting to passing off till the disposal of the present suit. Nothing stated herein above shall tantamount to have expression or opinion on the merits of the case.

Be put up for filing of written statement on behalf of defendants on 25.5.16.”

4. The appellants contend that: i) the respondent failed to establish that it had a goodwill in the alleged trademark ii) since the respondent itself valued its goodwill for a meagre amount of Rs.1,500/-, there was no question of any worthwhile goodwill having accrued to the respondent to institute the suit; iii) the appellants' single advertisement in the 'Hindustan Times' newspaper dated 17.03.2016 for 'AMERICANA' Butter Cookies, cost an amount of

Rs.15 lacs iv) the plaintiff has suppressed the fact that for rival applications in class 30 for registration of AMERICANA; AMERICAN; AMERICA AMERICANA-G as against the petitioner's application for registration of *AMERICANA BURGERS* and *LA AMERICANA BURGERS*, the plaintiff has admitted before the Registrar of Trade Marks that the former 4 competing marks were distinct from the plaintiff's marks v) in the face of the plaintiff's clear admission that AMERICANA and AMERICANA-G (application nos.3075740 and 3079000 filed in October 2015 @ p.278) are distinct from AMERICANA BURGERS, surely the plaintiff cannot insist on any similarity between “ AMERICANA BUTTER COOKIES” with ‘AMERICANA BURGERS’, thus the impugned order has erred in not appreciating these vital facts, especially when compared to the distinct style and packaging material adopted by the appellant vi) the plaintiff has deliberately arrayed the defendant's in the plaint, in a manner so as to escape notice of the main contesting party, before it was heard for *ex parte* injunction vii) the respondent had not filed proof of a single advertisement in any newspaper/magazine in support of its goodwill and/or reputation in AMERICANA and LA AMERICANA, viii) the plaintiff has not disclosed its annual sale figures/advertisement expenses in respect of alleged trade mark/trade name towards establishing any goodwill; this is an essential ingredient in establishing a passing-off action ix) the appellant's have no intention of expanding their business into the field of burgers/buns and/or restaurant business under AMERICANA name, x) the word AMERICANA was not coined by the respondent, it is a known dictionary word, it has been in use by several entities, much prior to its alleged adoption and/or use by the plaintiff.

5. The appellant further contended that the impugned order erred in granting the injunction as: xi) none of the ingredients constituting passing-off was *prima facie* was established, such as the plaintiff's (a) goodwill and reputation in the brand name (b) proof of misrepresentation, if any, by the appellant to pass-off its product as that of the plaintiff (c) proof of damage to plaintiff's business or d) the likelihood of confusion in the mind of an ordinary person; xii) assuming that the trademark AMERICANA was used by the plaintiff's predecessor, its usage by the plaintiff for sale of cookies, for 20 months would have to be proven to indicate the plaintiff's goodwill/reputation therein; in any case cookies/biscuits are distinct from 'Burger/Buns', the latter is possibly the primary business of the plaintiff, xiii) the plaintiff's breads and buns are sold on a very small scale and limited to a few north Indian cities xiv) in contrast, the appellants AMERICANA Butter Cookies are sold throughout India, to more than 2,000 distributors and in merely three months prior to the passing of the *ex-parte* injunction on 06.04.2016, they have sold Rs.8.53 crores worth of the said cookies, whereas xv) the plaintiff has not adduced any evidence or documents to *prima facie* show its goodwill or reputation in the trademarks AMERICANA or LA AMERICANA, instead the plaintiff has dishonestly relied upon the overall turnover of Bonn Group in respect of marks other than 'Americana Oregano' Burgers/(buns); that this jumbled data is irrelevant for the present controversy and xvi) packaging details under the statutory requirement for disclosure of weights and measures and details of the manufacturer, consumer care cell, date of packaging and MRP, etc. are printed on the appellant's product wrapper, which has a unique and have a distinct look.

6. The appellant claims to have honestly and bonafidely adopted the mark *AMERICANA* in the month of January 2016 (pp. 919-920 of appeal paper book) and launched cookies/biscuits under the sub-brand *AMERICANA*, which it uses along with its well-known brand  (para 12 p. 17 of appeal paper book) In the USA biscuits are ordinarily called cookies; the word *AMERICANA* is a dictionary word meaning "things connected with America"; that there are /have been several trade mark applications filed by third parties, much prior to the alleged first adoption and/or use by the plaintiff of the trade name *AMERICANA* for its burgers. This is evident from applications for registration, filed by different parties before the Registrar of Trade Marks *AMERICANA* (para 17, p.20) in different classes dating back to 1987 including in Class 30.

7. The appellant's further contend that the Trial Court has erred in not rejecting the plaintiff's baseless and hollow plea that *AMERICANA* is a coined word. It is actually a dictionary word. The plaintiff has to establish that its mark had acquired a suitable degree of distinctiveness amongst traders and consumers, so as to acquire secondary meaning in the trademark. This burden has not been discharged by the plaintiff. That burgers and buns operate in different fields. Respondents only sell Burgers/Buns which are unfinished and not ready to eat food and likely to be consumed at home/restaurants after adding to the material between the buns for cooking it. On the other hand, the appellants' biscuits are already cooked or baked and ready to eat; that the impugned order has erroneously relied upon *Dhariwal Industries v MSS Food Products, (2005) 3 SCC 63 and 2004 (29) PTC 45(MP)* as the same is clearly distinguishable

8. It is argued that, in that case, unlike in the present case: (a) the goodwill was established for a prior use of more than 26 years since 1960 while the defendant in that case started using it only in 1986 while in the present case the plaintiff's use is only from July 2014 at best; (b) the products were identical unlike the present case; (c) the mode of use was also same unlike the present case where the plaintiff's good is a cooking ingredient while the defendant's goods are ready to eat; (d) in the present case, the Defendant's main brand is PARLE which is always used with its sub-brand *AMERICANA* and thus there is no misrepresentation or likelihood of confusion; (e) in that case the distinction in get up was not emphasized, while in the present case, the trade-dress is completely different.

9. It is also submitted that the appellants have sold biscuits more than Rs.8.39 crores under the impugned marks and have incurred publicity expenses of Rs 8.53 crores within a short period of three months till the date of passing of the ex-parte order dated 06.04.2016. Contrasting the high volume of sales and advertisements in such a short period under the impugned marks by the Appellants with no sales/advertisement figures pleaded/provided by the Respondents for the alleged use of the impugned marks for burger buns, undoubtedly the balance of convenience is in favour of the Appellants.

10. Lastly, it is submitted that there is no case of passing off as the following is clearly printed on the packaging of the appellants which is sufficient to distinguish the goods of the appellants from those of the respondents:

a) Marketed by Parle Biscuits Private Limited with complete address;

b) The Appellant/Defendants' registered trademark  logo is

printed over the trademark *AMERICANA*;

c) The provisions of weights and measures act and packaged commodity rules is complied with and all statutory information are printed like name of Manufacturer, Consumer Care Cell, Date of Packaging and MRP etc.;

d) The design and colour scheme of the Appellant/Defendants' wrappers are unique and distinct.

e) The dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two marks by reason of the variation in their colour and other features and their general get-up together with the circumstance that the name and address of the manufacturer of the appellant was prominently displayed on the packets and these features were all set out for negating the respondents claim that the Appellant had passed off its goods as those of the respondent.

11. It is contended that none of these important aspects were considered in the impugned order. Therefore, it is erroneous both in law and in facts.

12. Refuting the above arguments, the learned counsel for the plaintiff argues that it is not disputed by the appellants, that the adoption as also the use of the mark *AMERICANA* by them was much subsequent to the adoption and use of the mark *AMERICANA* by the plaintiff and its predecessor, which is its own associate and family concern wherein both the respondent and its predecessor are part of the same BONN Group of Companies which are a "Single Economic Unit" for the purposes of goodwill and reputation of the marks; that the competing goods of the plaintiff's Buns/Burgers and the appellants cookies/biscuits are so allied and connected that they pass through

same trade channels, are placed side by side on same shops and are purchased by the same set of customers which includes all classes persons, hence, the chance of confusion and/or deception as extremely high; that alleged sales figure of Appellants' goods under the impugned mark *AMERICANA* and approximate publicity cost incurred by the Appellants as claimed are not supported with any documentary evidence.

13. He further submits that under the settled principles of law, it is the priority in adoption and use which entitles the earlier adopter to claim exclusive rights in a trade mark and not the extent of usage of the mark between two parties as on the date of filing of suit. In any case, as the appellants are admittedly the subsequent adopter and user of the mark, no amount of sale or publicity would entitle the appellants to claim proprietary rights in the impugned mark or would allow the Appellants to usurp the existing mark of the plaintiff. Reliance is placed on *Centuiy Traders vs Roshan Lai Duggar (DB)* AIR 1978 Delhi 250, *Dhariwal Industries Ltd. vs MSS Food Industries* AIR 2005 SC 1999, *Bhatia Plastics Vs Peacock Industries* AIR 1995 Delhi 144 and *Laxmikant V. Patel vs Chetanbhat Shah* AIR 2002 SC 275.

14. The plaintiff contends that the mark *AMERICANA* was initially launched in State of Punjab and Chandigarh but the same was expanded to various northern states including Haryana, Himachal Pradesh, Jammu & Kashmir, Delhi, Uttar Pradesh etc. during the course of time in last 21 months before filing the suit. Furthermore, ever since its launch, BNPL has been inter alia advertising the mark "*AMERICANA*" and/or "*LA AMERICANA*" on many such supply vehicles owned by it which are seen by the general public on every road the truck covers. The same has been

instrumental in promoting and exhibiting the mark of the plaintiff and building enormous goodwill and reputation of the BONN group for the mark "AMERICANA", and as such the purchasing public associates the mark AMERICANA with the plaintiff and no one else.

15. The plaintiff submits that despite being served with the injunction order dated 6.4.2016 on 9.4.2016 itself, the appellants continued to violate it by offering for sale their AMERICANA butter cookies by the same on SONY TV channel during telecast of IPL matches (pp. 1233-1235) and in print media advertisement—in Hindustan Times, New Delhi (p.1236) as well as continuing to distribute the product through their own distributors, wholesalers and retailers (pp.1245-1254). The plaintiff refutes the argument of the appellant that the word AMERICANA is a common dictionary word is totally misconceived. It is argued that, it is a settled law that the even dictionary words can be strong trademarks. The plaintiff's rely upon the following judgments:

(i) *S. Syed Mohideen v. P. Sulochana Bai*, (2016) 2 SCC 683

30.3. Section 28(3) of the Act provides that the rights of two registered proprietors of identical or nearly resembling trade marks shall not be enforced against each other. However, they shall be same against the third parties. Section 28(3) merely provides that there shall be no rights of one registered proprietor vis-à-vis another but only for the purpose of registration. The said provision 28(3) nowhere comments about the rights of passing off which shall remain unaffected due to overriding effect of Section 27(2) of the Act and thus the rights emanating from the common law shall remain undisturbed by the enactment of Section 28(3) which clearly states that the rights of one registered proprietor shall not be enforced against the another person.

(ii) The Indian Hotels Company Ltd. and Anr. Vs Jiva Institute of Vedic Science and Culture

40. It was next argued by Mr. Rohtagi that the word 'JIVA' is a descriptive word which cannot be protected as a trade mark by a Civil Court. We do not think so, the appellant has itself applied for registration of the Jiva as a trade mark and cannot, therefore, argue that the mark is descriptive. In Automatic Electric Limited. Vs. R.K. Dhawan and Anr. 1999 PTC (91) 81 this court has in similar circumstances repelled the contention and held that since the defendant had itself sought to claim a proprietary right and monopoly in "DIMMER DOT", the disputed trade mark it did not lie in its mouth to say that the said mark was a generic expression. The Court observed:

"16. The defendants got their trade mark? "DIMMER DOT" registered in Australia. The fact that the defendant itself has sought to claim trade proprietary right and monopoly in "DIMMER DOT" is a generic expression?"

16. The plaintiff's also rely upon the following judgments: ***Harish Motichand Saria v. Ajanta India Limited***, 2003 SCC OnLine Bom 37; ***T.V. Venugopal v. Ushodaya Enterprises Ltd.***, (2011) 4 SCC 85; ***Industria De Diseno Textil SA v. Oriental Cuisines (P) Ltd.***, (2014) 8 HCC (Del) 428 and ***Dharam Pal Satya Pal v. Janta Sales Corporation***, 1990 SCC OnLine Del 104. In ***Harish*** (supra) and ***T.V. Venugopal*** (supra) the court accepted and affirmed that the goods in dispute were similar i.e. allied and cognate. It is also pertinent to note that in all the above mentioned cases the prior use was of minimum 5 years, unlike the present case.

17. The subject matter of the suit are the marks "***AMERICANA***

BURGER” / “*LA AMERICANA BURGER*” in which the plaintiff asserts ownership rights by virtue of prior use i.e. since the year 2014 for sale of ‘burger buns’; it is aggrieved by use of the mark ‘AMERICANA’ by the appellants in passing-off their cookies/ biscuits as if they were sourced from the plaintiff’s.

18. The appellants began manufacturing/selling butter cookies under the trade mark *AMERICANA* from 25.01.2016; an advertisement was issued by the appellants on 18.03.2016 for promotion of the same; suit for injunction was filed by the respondents on 02.04.2016; ex-parte injunction was granted in favour of the respondents on 06.04.2016. The ex-parte injunction was confirmed by the impugned order dated 02.05.2016, whereby the appellant, their proprietor, directors, agents, dealers, representatives have been restrained from manufacturing, selling, offering for sale of bakery products and other allied products under the trademark *AMERICANA* or any other trademark which may be identical or similar to the plaintiff/ respondent’s trademark *AMERICANA* or *LA AMERICANA*.

19. The plaintiff applied for registration of trade marks *LA AMERICANA BURGER* and *AMERICANA BURGER* claiming user since 16.07.2014. On the other hand, the appellant applied for registration of the Trade Mark *AMERICANA* in October, 2015 and launched a new variety of biscuits in the name  *AMERICANA* in January, 2016. It has been submitted by the appellants that within 3 months of its launch of the new variety of biscuits, the sale of the same crossed Rs. 8.5 crores. The plaintiff has to establish all the ingredients of passing off to succeed for injunction. The plaintiff has failed to show any exact advertisement figures or show that it has been a long user of the impugned mark to establish goodwill. The word

AMERICANA is a dictionary word which is used by several parties for the purposes of trading and is not being used exclusively by the respondent. It is also important to note that the appellant always used its famous mark  on the packaging of the butter cookies. The appellant relies upon **Hearst Communications, Inc. v. Dinesh Varyani, 2009 SCC OnLine Del 1138**, which held as under:

“ 13. Passing off actions as examined above are distinct from infringement actions. What is protected in an action of passing off is not the proprietary right of the plaintiff in any word or mark but the goodwill and reputation of the plaintiff which is likely to be harmed. The proprietary right in the goodwill or reputation of the plaintiff is protected. Nature and extent of goodwill and reputation depends upon distinctiveness of the mark in the eyes of the public or class of public and association of the said mark with the plaintiff and not registration of the mark. Goodwill and reputation are created when a mark is used by a person and the public or class is aware and connects or associates the mark with the plaintiffs business or goods. Distinctiveness and association with plaintiff is a precondition to claim invasion of goodwill and reputation, though burden of proof can vary depending upon category of the mark i.e. general, descriptive, fancifully, arbitrary etc. Whether a plaintiff has reputation or goodwill is primarily a question of fact and has to be proved by cogent material and evidence. It is obligatory and necessary for the plaintiff to place necessary material on record to establish reputation and goodwill. There is no assumption in a passing off action that the plaintiff has goodwill and reputation. For grant of interim injunction the plaintiff must therefore establish reputation and goodwill in the word/mark COSMO in India to succeed. 14. Goodwill and reputation of a person can vary from country to country. When a plaintiff carries on business in several countries, separate goodwill is attached to each country. Nature or extent of goodwill or reputation of a

plaintiff in India depends upon the association of the word/mark with the plaintiff in India and not in a third country.

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22. The plaintiff can claim exclusive right to the mark COSMO in India if it is shown and established that the word COSMO by constant user has come to be associated with the plaintiff that when a purchaser purchases any magazine in India with the mark COSMOWOMAN, the purchaser visualises and connects the magazine with the plaintiff. A common English dictionary word cannot be made basis for a passing off action to claim monopoly rights, unless right to exclusivity is established due to long and durable association of the said word with the plaintiff and if others are allowed to use the word loss or damage would occur. Distinctiveness or secondary meaning is an essential precondition, whether the mark is descriptive or fancy etc., but burden of proof is higher in descriptive marks. Exclusivity and public's association of the mark/word "COSMO" with the plaintiff has not been established. The plaintiff has not established that the defendants have acted in a manner calculated to deceive the public or there is reasonable possibility of deception.

*23. The consumers or readers of the defendant's and the plaintiffs magazine are well educated and well read women and some men. While examining the question of deception, the profile of the user or the consumer who should be or is likely to be deceived or confused is to be taken into consideration. In *Khodav Distilleries Limited v. Scotch Whisky Association* reported in, (2008) 10 SCC 723, the Supreme Court observed that while deciding the question of deceptive similarity, one of the factors to be taken into consideration is a class of purchasers who are likely to buy the goods bearing the two marks, their education, intelligence and degree of care that is likely to be exercised in purchasing or using the goods. Where the class of purchasers is illiterate and poor, the test applied is different*

in comparison to cases when the product is consumed by educated and rich. Court in the said case observed:

“74. This Court in Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. inter alia laid down the law in the following terms:

“35. Broadly stated, in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

xxxxxx

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.”

77. Where the class of buyers, as noticed hereinbefore, is quite educated and rich, the test to be applied is different from the one where the product would be purchased by the villagers, illiterate and poor. Ordinarily, again they, like tobacco, would purchase alcoholic beverages by their brand name. When, however, the product is to be purchased both by villagers and town people, the test of a prudent man would necessarily be applied. It may be true that the tests which are to be applied in a country like India may be different from the tests either in a country of England, the United States of America or Australia.”

20. Assuming that *AMERICANA* is an important feature of the appellant's product name, nevertheless its overall get-up, packaging, font size and font style, shape and size of the product, alongwith the prominent name  on the packing cover, with pictures of three ribbed cookies/biscuits over a flourish of three red and white stripes, perhaps denoting affinity to USA, are striking differences. The two packagings and the wholly different products

cannot be confused as one. The word *AMERICANA* is not a coined word. It is a common dictionary word which means ‘things associated with America’. The plaintiff’s have also failed to demonstrate any loss of business or reputation due to use of the impugned mark by the appellant for sale of biscuits/ butter cookies. The appellant relies upon the following decisions:

(i) *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories*, (1965) 1 SCR 737 : AIR 1965 SC 980 28.

In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

(ii) *Marico Limited v. Agro Tech Foods Limited*, 2010 SCC OnLine Del 3806 : (2010) 174 DLT 279

*“ 8. Since, the second issue is now almost entirely covered by a decision of a Division Bench of this Court *Cadila Healthcare Ltd. v. Gujarat Cooperative Milk Marketing Federation Ltd*, 2009 (41) PTC 336 : 2009 (8) AD (Delhi) 350 we shall therefore deal with it first. We are consciously using “almost entirely” because there is one major*

difference in the case of Cadila Healthcare Ltd. (supra) and the present case on the issue of passing off being that the products in the case of Cadila Healthcare Ltd. of the two parties were different, but in the present case the products are identical. The Division Bench in the judgment of Cadila Healthcare Ltd. (supra) was concerned with a passing off an action with respect to the trade mark “Sugar Free” which was used by the plaintiff therein with respect to an artificial sweetener acting as a substitute for natural sugar and the defendant was selling a frozen desert with the Trade mark “Amul” and describing its product as “Sugar Free”. The Division Bench has held that expression “Sugar Free” is basically a descriptive and generic expression. The Division Bench has further held that it cannot be said to be a coined word. The Division Bench in effect has held that there cannot an exclusive ownership granted to a person with respect to expression “Sugar Free”, i.e., there cannot be claim of exclusive user of the expression “Sugar Free” as a trade mark with respect to all other products which were not artificial sweeteners assuming that the plaintiff may have distinctiveness with respect to its trade mark for artificial sweeteners. The relevant paras of the judgment Cadila Healthcare Ltd. (supra) which contain the ratio are para Nos. 8 to 11 and 14 which read as under:

“8. In our view, at this juncture i.e. at the interim stage, even assuming distinctiveness claimed by the appellant in its favour qua its artificial sweetener, the appellant has rightly been declined an injunction by the learned Single Judge since it is evident and has indeed been found by the learned Single Judge that the use of the term ‘Sugar Free’ by the respondent is not in the trade mark sense but as a common descriptive adjective. The learned Single Judge has found and in our view rightly that the respondent has not used the expression in a trade mark sense but only in a descriptive sense in the following passage—

‘54. It is important to be borne in mind that use of a descriptive expression as a trade mark by a trader,

irrespective of the said trade mark having acquired a secondary meaning and distinctiveness in relation to the trader's products, does not entitle such trader from precluding other traders from using the said expression for the purposes of describing the characteristic features of their products. I have no hesitation in stating, albeit without prejudice to the rights and interests of the plaintiff in the present suit, that by adopting such a purely descriptive and laudatory expression 'Sugar Free' as its trade mark, the plaintiff must be prepared to tolerate some degree of confusion which is inevitable owing to the wide spread use of such trade mark by fellow competitors. Simply because the plaintiff claims to be using the expression 'Sugar Free' as a trade mark much prior to the launch of the defendant's product Pro Biotic Frozen Dessert in the market does not give this Court a good ground for imposing a blanket injunction on the defendant from using the expression 'Sugar Free', especially when the defendant intends to use this expression only in its descriptive sense and not as a trade mark, and even otherwise, when the use of this expression is widespread in relation to foods and beverages.'

We fully agree with and reaffirm the said finding.

9. We are unable to hold that the appellant's trade mark 'Sugar Free' is a coined word; at best it is a combination of two popular English words. The mere fact that the appellant's product cannot be directly consumed or eaten and merely is an additive does not detract from the descriptive nature of the trade mark. Once a common phrase in the English language which directly describes the product is adopted by a business enterprise, such adoption naturally entails the risk that others in the field would also be entitled to use such phrases provided no attempt is made to ride on the bandwagon of the appellant's indubitably

market leading product 'Sugar Free'. In this connection, merely because the attributes of 'sugar free' can be described by other phrases cannot detract from the common usage of the phrase 'Sugar Free' as denoting products which do not contain sugar and any trader which adopts such mark in the market place, does so with the clear knowledge of the possibility of other traders also using the said mark. That is precisely the reason for the denial of protection to such marks by refusing registration as envisaged by Sections 9, 30 and 35 of the Act. The said Sections read as follows—

'9. Absolute grounds for refusal of registration—

(1) The trade marks—

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.

30. Limits on effect of registered trade mark.—(1) Nothing in Section 29 shall be construed as preventing the use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use—

(a) is in accordance with honest practices in industrial or commercial matters, and

(b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.

(2) A registered trade mark is not infringed where—

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;

35. Saving for use of name, address or description of goods or services—Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.'

Thus, it is clear that the mark or indication which serves to designate the quality of the goods of the appellant, which indeed the phrase 'Sugar Free' does, would be an absolute ground for refusal of registration of a mark unless it has acquired a distinctive character. The expression can at best be said distinctive qua the artificial sweetener of the appellant and mere starting of the marketing of the drink 'sugar free D'lite' cannot give the appellant the right to claim distinctiveness in the expression 'Sugar Free' in relation to all the food products.

10. The learned Senior Counsel for the appellant has relied upon a plethora of judgments including the decision of the European Court of Justice in Baby Dry (supra) to claim that the expression 'Sugar Free' is a coined word and is

distinctive in nature. Apart from the fact that the law laid down in the case of Baby Dry is not binding on us, it is also relevant to notice that in the said case the Court permitted the registration on the basis of the categorical findings that the expression 'Baby Dry' was a syntactically unusual juxtaposition of two independent English words and was not a familiar expression in the English language. In our view, the expression 'Sugar Free' is neither a corned word nor an unusual juxtaposition of two English words especially when such expressions are commonly used, both in written, as well as spoken English, for example, 'hands-free' (for mobile phones) and 'fat free' (for food articles) and thus cannot be permitted exclusive use for only the appellant's product.

11. The appellant has relied upon the case of Godfrey Philips India Ltd. (supra) wherein it was held that a descriptive trade mark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or has been from a particular source. It is also relevant to mention here the judgment of Home Solutions (supra) was also relied upon by the respondents, wherein it was held that the expression 'HOMESOLUTIONS' is inherently incapable of becoming distinctive of any single person with respect of any single product or service. It is generic and publici juris. It describes the nature of services offered. Thus, in our view, the mark 'Sugar Free' is inherently incapable of becoming distinctive of the product of the appellant and hence the ratio of Godfrey Philips would thus not be applicable. Even if it is assumed that the mark of the appellant has become distinctive qua the artificial sweetener, however, the protection to the mark qua the product artificial sweetener cannot be extended to all the food products of any competitor in the market. We also affirm and reiterate the view taken by the learned Single Judge that the appellant's product is a sweetener/sugar substitute, and sweeteners are generally understood in their functional sense, that is, in terms of utility when added to foods and beverages. To an

average consumer, a sweetener is known to exist only when added to food and beverages, and its own identity gets merged in the food and beverages to which it is added. Thus, the expression 'Sugar Free' when used in relation to a sweetener may really describe a sweetener in the sense of its generic meaning, and what it connotes is the specific nature and characteristics of the product.

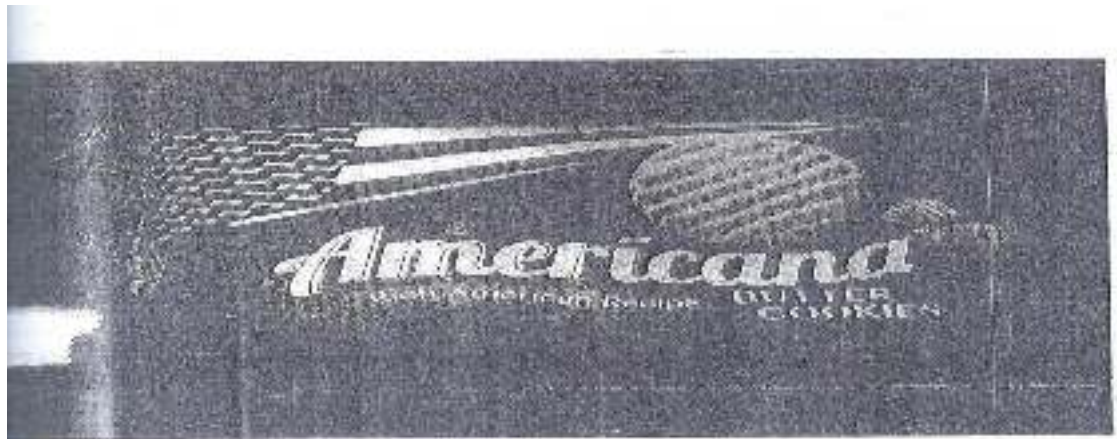
.....

14. In consonance with the above view we are also not in a position to agree with the appellant that the word 'Sugar Free' has become so distinctive of the sugar substitute and has acquired such a secondary meaning in the sugar substitute market that it cannot refer to any other food product except the appellant's sugar substituted product labelled 'Sugar Free'. There cannot be any doubt that the word 'sugar free' is not inherently distinctive and is clearly descriptive in nature. In fact, the word 'Sugar Free' in essence clearly only describes the characteristics of the appellant's product and therefore, cannot afford it the protection sought in the plaint by restraining the respondent from using the phrase 'sugar free'. 'Sugar Free' prima facie has not attained any distinctiveness, as alleged by the appellant outside the field of sugar substitute artificial sweeteners and the appellant would not be entitled to exclusively claim the user of the expression 'sugar free' in respect of any product beyond its range of products and the respondent cannot be restrained from absolutely using the expression 'Sugar Free', particularly in the descriptive sense. A mere descriptive usage of the expression 'Sugar Free' by the respondent may thus blunt the edge of claim of distinctiveness by the appellant. However, we make it clear that if any party enters into the domain of artificial sweeteners with the trade mark 'Sugar Free' the appellant may have a just cause in seeking restraint."

21. The packaging of the plaintiff's '*Americana Oregano **Burger***' reproduced hereunder, followed by the appellants'

 **Americana** BUTTER COOKIES Rich American Recipe:





22. The Court notes that the word *AMERICANA* was not used as a standalone word by either of the parties. The plaintiff used it as *AMERICANA "OREGANO BURGER"* and the appellant used it as

‘  *AMERICANA BUTTER COOKIES*’. A lot of distinguishable features in the packaging/ get-up/nature of goods are clearly visible on the products; the only thing common is the word *AMERICANA*, which the appellant used along with its well-known mark . From a mere glance at the two packaging it is clear that there is no visual similarity; they are for different food items; the cookies are ready to eat while the buns are to be treated/warmed or eaten with some filling; on the other hand cookies can be consumed anytime anywhere; they have a shelf-life of months compared to plaintiff’s buns which have a shelf-life of just a couple of days. The product sizes and their appearance are entirely different. The plaintiff’s flat buns could be seen through the loose transparent plastic wrapper, while the

appellant's butter cookies are smaller in size and packaged in cylindrical shape in shiny, multi-coloured, glossy and opaque wrapper. No reasonable person could mistake one for the other. There is no evident likelihood of confusion.

23. In ***Wander Ltd. v. Antox India (P) Ltd.***, 1990 Supp SCC 727, it was held, *inter alia*, as under:

“16. An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In a passing-off action, however, the plaintiff's right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a misrepresentation made by a trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably, causes damages to the business or good of the other trader. Speaking of the legal clarification of this form of action, Lord Diplock said:

“Unfair trading as a wrong actionable at the suit of other traders who thereby suffer loss of business or goodwill may take a variety of forms, to some of which separate labels have become attached in English law. Conspiracy to injure a person in his trade or business is one, slander of goods another, but most protean is that which is generally and nowadays, perhaps misleadingly, described as “passing-off”. The form that unfair trading takes will alter with the ways in which trade is carried on and business reputation and goodwill acquired. Emerson's maker of the better

mousetrap if secluded in his house built in the woods would today be unlikely to find a path beaten to his door in the absence of a costly advertising campaign to acquaint the public with the excellence of his wares.” [See Erven Warnink v. J. Townend & Sons (Hull) Ltd., 1979 AC 731, 740 : (1979) 2 All ER 927, 931]

24. The appellant has ostensibly made no misrepresentation, it uses the Americana mark along with its well-known brand name  in a completely different packaging for a completely different product. The brand name itself is a distinguishing feature and identifies the origin of the product from the hose of PARLE. The Respondent has failed to establish misrepresentation made by the appellant or the likelihood of confusion between the two products. The mere use of trade mark for 20 months in respect of *OREGANO BURGER* does not establish goodwill/reputation in ‘biscuits’. The evidence produced by the respondent does not prove a reputation with the trade mark that the public generally associate the same with it. Mere prior use for 20 months that too in burger buns is not substantial to establish goodwill/ reputation required to make a strong prima facie case against use of the impugned mark for biscuits. The appellant relies upon the dicta of Supreme Court in *Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd.*, (2002) 2 SCC 147, which held as under:

“ 16. This question has been considered by different High Courts and this Court in umpteen cases from time to time. On analysis of the principles laid down in the decisions, certain recognised parameters relating to the matter have emerged. Without intending to be exhaustive some of the principles which are accepted as well settled may be stated thus: that whether there is a likelihood of deception or

confusion arising is a matter for decision by the court, and no witness is entitled to say whether the mark is likely to deceive or to cause confusion; that all factors which are likely to create or allay deception or confusion must be considered in combination; that broadly speaking, factors creating confusion would be, for example, the nature of the market itself, the class of customers, the extent of the reputation, the trade channels, the existence of any connection in course of trade, and others.

17. This Court, in the case of Corn Products Refining Co. v. Shangrila Food Products Ltd. [AIR 1960 SC 142 : (1960) 1 SCR 968] observed that: (SCR pp. 978-79)

“The question whether two competing marks are so similar as to be likely to deceive or cause confusion is one of first impression and it is for the court to decide it. The question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity of the two marks Gluvita and Glucovita is likely to deceive or to cause confusion. In deciding whether two marks are so similar as to be likely to deceive or cause confusion the similarity of idea is a relevant consideration.”

This Court further observed that:

“In order that a trade mark may acquire a reputation among buyers, it is not necessary that they should know who the manufacturer of the goods is. It is no answer to an opposition to an application for registration to say that there is a number of marks having one or more common features which occur in the proposed mark unless it is proved that these marks had by user acquired a reputation in the market.”

18. In the case of Wander Ltd. v. Antox India (P) Ltd. [1990 Supp SCC 727] a Bench of three learned Judges considered the question of grant of interlocutory injunction under Order 39 Rule 1 of the Code of Civil Procedure in a case under Section 29(2) of the Act and Section 55 of the

Copyright Act, 1957 and held as follows: (SCC pp. 731-32 & 733, paras 9 & 14)

“9. Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well-settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated

‘... is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the “balance of convenience” lies’.

The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.

14. The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own

discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. The appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. After referring to these principles Gajendragadkar, J. in Printers (Mysore) (P) Ltd. v. Pothan Joseph [AIR 1960 SC 1156 : (1960) 3 SCR 713] said: (SCR p. 721)

‘... These principles are well established, but as has been observed by Viscount Simon in Charles Osenton & Co. v. Jhonston [1942 AC 130 : (1941) 2 All ER 245 (HL)] , “... the law as to the reversal by a court of appeal of an order made by a Judge below in the exercise of his discretion is well established, and any difficulty that arises is due only to the application of well-settled principles in an individual case”.’

20. *In a recent decision in the case of Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. [(2001) 5 SCC 73] a Bench of three learned Judges, summed up the position of law regarding tests to determine a passing-off action, with the following observations: (SCC pp. 88 & 95, paras 18 & 35-37)*

“18. We are unable to agree with the aforesaid observations in Dyechem case [(2000) 5 SCC 573] . As far as this Court is concerned, the decisions in the last four decades have

clearly laid down that what has to be seen in the case of a passing-off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion. This is evident from the decisions of this Court in the cases of *National Sewing Thread Co. Ltd.* case [AIR 1953 SC 357] , *Corn Products Refining Co.* case [AIR 1960 SC 142 : (1960) 1 SCR 968] , *Amritdhara Pharmacy* case [Amritdhara Pharmacy v. Satya Deo Gupta, AIR 1963 SC 449] , *Durga Dutt Sharma* case [Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, AIR 1965 SC 980] , and *Hoffmann-La Roche & Co. Ltd.* case [Hoffmann-La Roche & Co. Ltd. v. Geoffrey Manner & Co. (P) Ltd., (1969) 2 SCC 716] . Having come to the conclusion, in our opinion incorrectly, that the difference in essential features is relevant, this Court in *Dychem* case [(2000) 5 SCC 573] sought to examine the difference in the two marks 'PIKNIK' and 'PICNIC'. It applied three tests, they being: (1) is there any special aspect of the common feature which has been copied? (2) mode in which the parts are put together differently i.e. whether dissimilarity of the part or parts is enough to make the whole thing dissimilar, and (3) whether, when there are common elements, should one not pay more regard to the parts which are not common, while at the same time not disregarding the common parts? In examining the marks, keeping the aforesaid three tests in mind, it came to the conclusion, seeing the manner in which the two words were written and the peculiarity of the script and concluded (at SCC p. 597, para 39) that 'the above three dissimilarities have to be given more importance than the phonetic similarity or the similarity in the use of the word PICNIC for PIKNIK'.

35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

(c) The nature of the goods in respect of which they are used as trade marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

36. Weightage to be given to each of the aforesaid factors depending upon facts of each case and the same weightage cannot be given to each factor in every case.

37. The trial court will now decide the suit keeping in view the observations made in this judgment. No order as to costs. Appeal disposed of.”

.....

22. *In the case of Bata India Ltd. v. Pyare Lal & Co. [AIR 1985 All 242] considering the plea of passing-off or enabling others to pass-off mattresses, sofa cushions and other articles associating them with the name of “Bata” in any manner or form, held (at AIR p. 252, para 35) that:*

“the plaintiffs had cause of action for instituting the proceedings for passing off. The plaintiff had made out a case of issuance of an interim order of injunction in respect of the user of the name ‘Bata’ to any of their products by the defendants”.

The High Court further observed that: (AIR pp. 251 & 252, paras 27 & 35)

“The name ‘Bata’ was well known in the market and the user of such a name is likely to cause not only deception in the mind of an ordinary customer but may also cause injury to the plaintiff Company. The fact that the plaintiff was not producing foam was not enough to hold that there could be no passing-off action in respect of the user of the name ‘Bata’ to the products marketed by the defendants. The use of the name or mark ‘Bata’ by the defendants is indicative of their intent.”

23. *The Bombay High Court in the case of Kirloskar Diesel Recon (P) Ltd. v. Kirloskar Proprietary Ltd. [AIR 1996 Bom 149] considered the scope of granting injunction in a suit for infringement of a trade mark under Section 106 of the Act by the use of the mark “Kirloskar”, held:*

“The principle of balance of convenience applies when the scales are evenly balanced. The existence of the 1st appellant in each appeal is very recent whereas the existence of the respondents belonging to ‘Kirloskar Group of Companies’ has been for over a period of 50 years. On their own showing, the appellants are not using the word ‘Kirloskar’ as trade mark but as part of trading style whereas the respondents have not only acquired distinctiveness and goodwill in the word ‘Kirloskar’ but it is even the registered trade mark of the 1st respondent. There is sufficient evidence on record to show that the huge business is carried by ‘Kirloskar Group of Companies’.

There is nothing on record to show the extent of the business of the appellants. The 2nd appellant has throughout been aware about the business reputation of the respondents and efforts of the respondents in protecting their rights in the trade marks as also of preventing others to use the word ‘Kirloskar’ as a part of the trading name or trading style. By grant of the interim injunction in favour of the respondents, the appellants are not prevented from carrying on business without the word ‘Kirloskar’ forming part of the corporate name of the 1st appellant in each

appeal. In the facts of the case, the respondents' reputation is likely to be adversely affected if the appellants are not prevented from using name of the 1st appellant in each appeal. In the facts of the case, the balance of convenience is not in favour of the appellants.

The real question in each case is whether there is as a result of misrepresentation a real likelihood of confusion or deception of the public and consequent damage to the plaintiff. The focus is shifted from the external objective test of making comparison of activities of parties to the state of mind of public in deciding whether it will be confused. With the passage of time and reputation acquired, the trade mark 'Kirloskar' has acquired the secondary meaning and has become almost a household word. The judgments relied upon by Mr Kane pertain to the cases of one type of business and not where variety of businesses have been carried by the plaintiff and the defendant as in the instant case. The business activities of the respondents vary from pin to piano as borne out from the object clauses of the memorandums of association of the respondents. The appellants have still to commence their business activities but as mentioned in the memorandums of association of the 1st appellant in each appeal, some of the object clauses therein overlap with the activities of respondents and more particularly of Respondents 6 and 7."

25. Evidently, the plaintiff started using the impugned mark for manufacturing biscuits/butter cookies only after the grant of injunction order against the appellant. This development was noted by this court in its order dated 30.05.2016, which *interalia*, reads as under:

"..... 12. In the present case since the appeal would require to be heard in detail. In the beginning itself I have observed that at this stage the court is considering only modification of the order, as to whether the appellant should be permitted to clear the existing stock or not though the

appellant has very valid submission that there is no occasion of any deception or confusion in the mind of the consumer regarding the two products but equally strong point have been advanced by the respondents to be taken into account that is of cognate goods and the distribution and sale through the same channel. During the course of arguments I was shown that the respondents have started manufacturing even butter cookies by the same brand name. When I looked for the month of manufacturing on the biscuit packet of the respondent it showed that they were manufactured in the month of May, 2016. This I feel was done to meet the point of the appellant that two products are different. There is no averment in the petition that they are manufacturing the biscuits by that name though it was contended that they have a legitimate right to extend the name to other bakery products.

13. Be that as it may, I feel irrespective of the shelf life of the product of the appellant they are permitted to exhaust their existing stock within a period of two months from today and file the statement of A/c / stock. To that extent the interim order dated 02.05.2016 stands modified.

14. However, I hereby add a caveat that no court can supervise the minute details which will include the manufacturing, of the subject biscuits or even the manufacturing the same by the respondent by same brand name. I hope and trust that both the companies being companies of repute they will not manufacture the subject biscuits any more till this Court take a clear cut view on the matter. Expression of any opinion herein is only tentative and confined to the present order only... ”

(emphasis supplied)

26. The plaintiff never claimed use of the word *AMERICANA* for cookies/biscuits. Its claim has all along been only for *LA AMERICANA BURGER* and *AMERICANA BURGER* in Class 30. Six invoices have been

filed in the appeal paper-book showing purchase of packaging material by the plaintiff from M/s Prime Packaging (pp.199-204) for the period 15.7.2014 to 22.2.2016, they reveal sale of plastic packaging material for about 17-18 different types of wrapping material sold to the plaintiff, including: PLAIN PLASTIC WRAPPER; BREADDY 500 GM; PRIME TIME 450 GM; PRIME TIME PIZZA 200 GM; B. S/W SPL 400 GM PLASTIC WRAPPER; HEALTHY SLICE; T.F. BREAD 500 GM; BROWN HI-FIBRE 400GM; P.T.700 GM ORANGE PLASTIC WRAPPER; BUMPER 350GM; BOPP BROWN HI FIBRE 50GM; BONN 250GM 11.50" PLASTIC WRAPPER; ROYAL BAKE 400GM ORANGE 14.50 PLASTIC WRAPPER; BONN MILK BREAD 350GM PLASTIC WRAPPER; MORNING MILK BREAD 350 GM PLASTIC WRAP; BONN SUPER 1KG PLASTIC WRAPPER *LA AMERICANA* BURGER 160 GM PLASTIC WRAP and *AMERICANA* BURGER 160 PLATIC WRAPPER, ETC. Interestingly, there is no proof by the plaintiff of any packaging material for *AMERICANA* butter cookies, allegedly manufactured and sold by it. Its alleged sale of butter cookies was, in any case after May 2016, when the impugned injunction had been granted. The roughly 112 pages of invoices from July 2104 to January 2016 reveal sale of only the above noted products to retailers, vendors, etc. but mainly breads and sandwiches, under the brand name Bonn or Prime Time and some sale of *AMERICANA OREGANO* BURGERS or *LA AMERICANA* BURGERS. These documents were available before the learned Trial Court to see that there was no sale of butter cookies by the plaintiff.

27. The words *AMERICANA* and *LA AMERICANA* are words which indicate the geographical and cultural affinity to America. They are

common dictionary words and not coined words. Therefore, they can be adopted by anybody. The plaintiff's application for registration of the said words as their trademark is pending. Objections have been raised to six such applications moved by the plaintiff from 12.10.2015 till 22.11.2016. Additionally, as per the list supplied by the plaintiff, the word *AMERICANA* and *LA AMERICANA* have been registered by different persons in Classes 5,11,20,24,25 and 30¹. The last one being registered on 26.05.1987 in the name of one Koduvayur Venkatheshwaran.

28. Furthermore, this Court in *Three-N-Products vs. Kairali Exports*, 2018 SCC OnLine 6397, had held that in a case of trade mark infringement, the adoption of common word runs the risk of lesser level of legal protectability. In the present case, the word *AMERICANA* is not the plaintiff's registered trade mark. That application for registration is under objections. Indeed, the wordmark already stands registered in the name of other persons as mentioned hereinabove. Furthermore, since it is a dictionary word evoking the affinity of the product to America, the plaintiff cannot claim exclusive rights to it as the level of legal protectability is lesser. It is not in dispute that the appellant started manufacture and sale of only butter cookies under the name *AMERICANA* only in conjunction with its well-known brand name ; that it was never selling buns or burgers, which were sold under the distinct name, style and packaging than the one used by the plaintiff for cookies. Both cookies and buns have different usages at different times. Even an illiterate person could compare the packaging of the two products and not be misled by it. It would not confuse

¹ Fourth Schedule of the Trade Marks Rules 2002.

anybody. A prominent aspect in the packaging of the appellant defendant is that company mark  whereas in the packaging of the plaintiff's the words *AMERICANA OREGANO BURGER* alongwith stars and stripes of USA flag were prominent.

29. The plaintiff has allegeddly started manufacturing of cookies only in May 2016 i.e. the very month the impugned order was passed. It has not filed any sales figures regarding sale of this product. Furthermore, as discussed hereinabove, the burger buns are in tranparent wrapper, the food item itself can be seen through the wrapping; they are flat and larger in size when compared to cookies. The two are distinct and can never be confused with the appellants' cookies which is appears cylindrical and has an entirely different look, size and is in glossy, colourful packaging material. At this stage no prima facie case of passing-off is made out for grant of interim injunction against the appellant.

30. In view of the above, the impugend order cannot be sustained. It is set aside. The case is remanded to the learned Trial Court for further proceedings.

31. The appeal is disposed-off in the above terms.

NAJMI WAZIRI, J

NOVEMBER 20, 2019