SHEPHALI

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO. 2144 OF 2010

IN

SUIT NO. 2130 OF 2010

1. **PIDILITE INDUSTRIES LIMITED**,
A company incorporated under the Companies Act, 1956 and having its office at Regent Chambers, Nariman Point, Mumbai – 400 021

2. **HARDCASTLE & WAUD MANUFACTURING CO. LTD.**,
A company incorporated under Indian Companies Act, 1913 having its office at Brabourne Stadium, Gate No. 10, 1st Floor, 87, Veer Nariman Road, Mumbai – 400 020 *And also at*: 1904, GIDC, Sarigam (Valsad District), Gujarat **...Plaintiffs**

Versus

1. **VILAS NEMICHAND JAIN**,
trading as New Era Adhesive Industries, 3, Bhikamchand Jain Complex, Jalgaon – 425 001, District Jalgaon (MS)

2. **M/S. NEW ERA**,
3, Bhikamchand Jain Complex, Jalgaon – 425 001, District Jalgaon (MS) ALSO AT Post Sakli, Taluka Yawal, Jalgaon, Maharashtra – 425 302. **...Defendants**

APPEARANCES

FOR THE PLAINTIFFS	**Dr. V. V. Tulzapurkar, Senior Advocate**, *with Mr. Sandip Parikh, Mr. Ashish Kamat, Mr. Rahul Duote, Mr. Minesh Andharia & Mr. Hemant Thadani, i/b Krishna & Saurastri Associates.*
FOR THE DEFENDANTS	**Dr. B. Saraf**, *with Mr. Vinod Bhagat, Mr. Dhiren Karania & Mr. Punit Jain, i/b G.S. Hegde & V. Bhagat, for Defendants Nos. 1 and 2.*

CORAM	:	**G. S. Patel, J.**
JUDGMENT RESERVED ON	:	**4th September 2015**
JUDGMENT PRONOUNCED ON	:	**9th September 2015**

JUDGMENT:

1. This is the Plaintiffs' application for a restraint order in an action for passing off. The rival marks are identical: LEAKGUARD. There is no question, therefore, of assessing any similarity or deceptive similarity. Both sides claim to be using the mark in relation to solvent cements and similar chemicals and compounds. Although the Defendants are based in Jalgaon, their sales do not appear to be territorially or geographically restricted. Plaintiff No.1 ("**Pidilite**") is a well-known manufacturer of, among other things, various types of adhesive products. Plaintiff No. 2 ("**Hardcastle & Waud**") claims to have adopted the mark in question and later assigned its rights to the 1st Plaintiff.

2. The Plaintiffs claim prior user since 1999. This is when, according to them, Plaintiff No. 2, Hardcastle & Waud, began using this name in respect of solvent cement as a liquid chemical. On 29th April 1999, Hardcastle & Waud made Application No. 85374 for registration of a label mark containing the word "LEAKGUARD" along with the expression HOLDTITE for use in relation to industrial chemicals. This application has since proceeded to registration. A few years later, from 2001, Hardcastle & Waud began using the expression LEAKGUARD in respect of solvent cement specifically for joining various kinds of pipes such as PVC, CPVC and so on.

3. The Plaintiffs claim that between 2001 and 2008 their sales have steadily increased. By 2007-2008 their sales of products using the expression LEAKGUARD were in excess of Rs. 200 lakhs. In addition, the Plaintiffs have annexed a Chartered Accountant's certificate to the effect that for the period from 1st April 2008 to 31st March 2009 the Plaintiffs (or, at any rate, the 1st Plaintiff) had sales of Rs. 23.03 million and for the period from 1st April 2009 to 31st March 2010, they had sales of Rs. 34.96 million in respect of their LEAKGUARD-branded products. For these periods, their advertisement and sales expenses were, respectively, 0.04 million and 0.17 million. Photographic samples of the Plaintiffs' products are at Exhibit "C" to the plaint at page 35. These show cans and bottles with the word LEAKGUARD set below the other expression HOLDTITE. Other material is at page 36 of the plaint. Exhibit "E" at page 38 is a product brochure of the 1st Plaintiff. It specifically shows LEAKGUARD being used independently to describe the PVC solvent cement sold by the Plaintiffs. According to Dr. Tulzapurkar for the Plaintiffs, this literature in the trade was widely circulated.

4. The year 2001 is of crucial importance. The Defendants claim to have started using the same expression LEAKGUARD in April 2005, and Dr. Saraf for the Defendants says that such evidence of use by the Plaintiffs as there is between 2001 and 2008 is scanty indeed. On 21st February 2008, Hardcastle & Waud, the 2nd Plaintiff, assigned all its rights, title and interest in respect of the by then registered trade mark LEAKGUARD to the 1st Plaintiff. This was under a Deed of Assignment dated 21st February 2008. A copy of this Deed of Assignment is annexed to the plaint.

5. On 16th February 2008, the Defendants themselves applied for registration of the trade mark LEAKGUARD under Application No. 1744023 in Class 1. At the time of the application, they claimed user from the year 2000. This was, Dr. Saraf says, an inadvertent error, and on 30th January 2009 the Defendants applied for an amendment to correct the user claim from 2000 to 1st April 2005. In the meantime, the 1st Plaintiff, Pidilite Industries Limited, also made an application on 16th December 2008 for registration of a label mark that *inter alia* included the expression LEAKGUARD. To complete this part of the narrative, I must note that Dr. Saraf says that the Defendants have since withdrawn their application. However, this may not make a material difference for the present purposes. What is important is that the Defendants did apply for registration of this mark. The making of that application itself has certain undeniable implications and legal consequences at least to one limb of the case.

6. The Plaintiffs claim that in September 2009 they came across one of the Defendants' products with the mark LEAKGUARD. On 17th

September 2009, the 1st Plaintiff sent a cease and desist notice to the 1st Defendant. The 1st Defendant replied by his Advocates' letter dated 6th October 2009 refusing to give up the use of the mark. In January 2010, the 1st Plaintiff noticed an advertisement in the Trade Marks Journal of the 1st Defendant's application for registration. Later that year, the Plaintiffs found that the 1st Defendant was selling his goods under the impugned mark in Mumbai. This suit was filed on 26th July 2010. The Notice of Motion was filed at about the same time. Between 2010 and 2015, several Affidavits to the stage of a Sur-Sur-Rejoinder have been filed.

7. I must also note that in the five years since it was filed, the suit itself has progressed to the stage where the Plaintiffs have filed their compilations of documents, many of which have been marked in evidence. I note this because one of Dr. Saraf's threshold submissions is that now that the suit itself is at the stage of trial, with one of the Plaintiffs' witnesses already examined, no injunction is necessary or appropriate. I will deal with this straightaway. It has long been noticed[1] that the delays in our judicial process are sometimes unimaginable and stretch to several years even in respect of matters that, by all rights, should end in a few weeks, months at the most. The delay notwithstanding, a plaintiff must still make out a *prima facie* case. But a delay in listing or taking up an interim application is not itself a reason to deny that application. If, on well-established parameters, a case is made out, an injunction will follow. However, and most especially in a claim for an injunction in a passing off action, the delay might affect an

1 *Anglo-French Drugs & Industries Ltd v Eisen Pharmaceutical Company Pvt. Ltd.*, 1998 (18) PTC 692 (Bom)

assessment of the balance of convenience. If, in the intervening years, the defendant in such an action has substantially grown his business and continued to use the mark complained of, I imagine this would give any court of equity some pause, and it might not so readily grant an injunction as it might have done at an earlier point in time. The fact that a trial has already begun must also receive some weightage, even if it is not by itself determinative.

8. At least at this interim stage the facts are not many. The issue of law is also narrow: whether, in an action based not on a mark's registration but only on passing off in relation to a descriptive mark, on a plaintiff being able to show that it is a prior user of the mark in question, and has acquired some reputation and goodwill, is it, *ipso facto* entitled to an injunction in passing off? Is it sufficient for a plaintiff in such a case to demonstrate only prior user, reputation and goodwill in that distinctive mark, or must the plaintiff demonstrate in addition, as Dr. Saraf says, not only that the mark has acquired distinctiveness at the hands of the plaintiff but, necessarily, given that it is a descriptive mark, also show that it has acquired 'a secondary meaning'? Dr. Tulzapurkar for the Plaintiffs in this case submits that it is not always essential to establish that the descriptive mark, for the purposes of passing off, has acquired a secondary meaning. This, he submits, is overbroad as an absolute proposition. The attainment of a 'secondary meaning' is not a prerequisite for the grant of an injunction in a passing off action even in relation to a descriptive mark. It is sufficient if a plaintiff is able to establish (a) prior user and (b) that the use of the mark is now such that goods bearing that mark have come to be predominantly identified in the market as those of the plaintiff.

Prior user, he submits, is an essential requirement. If a plaintiff is able to demonstrate that his user is prior even by a single day, and further that the mark in question has acquired distinctiveness in the sense that there is in the public perception a correlation between the mark and the plaintiff's products, then it is sufficient and an injunction must follow. Expanding on this submission, Dr. Tulzapurkar says that the word 'distinctiveness' itself has a dual connotation. There is *distinctiveness in law* and *distinctiveness in fact*. In an action based on registration, i.e. for infringement, the fact of registration establishes distinctiveness in law and distinctiveness in fact. In contrast, in an action based only in passing off, a plaintiff need only show distinctiveness in fact. He provides a dramatic example. The acronym **BEST**, for instance, he says, could never pass the test mandated by Section 9 of the Trade Marks Act-, 1999 so as to proceed to registration. It is not a mark that can ever be said to be capable of acquiring 'distinctiveness in law'. At least in the city of Mumbai, it is, however, a mark that has acquired distinctiveness *in fact*. There can be no competitor in relation to transport services with this mark. This is a compelling construction of the submission.

9. In any case, Dr. Tulzapurkar submits, it is not open to the Defendants in this case to say that the mark in question is not in fact capable of registration because it is merely descriptive. That argument is completely defenestrated by the Defendants' application for registration. It makes no difference, he says, whether or not that application proceeded to registration. The making of it sufficiently points to the Defendants' acceptance that the mark is capable of acquiring distinctiveness in law as also distinctiveness in

fact. It is another matter altogether to see whether it is established, even *prima facie*, that the mark has achieved the necessary distinctiveness in the hands of the Plaintiffs.

10. For the purposes of the present Notice of Motion, the Plaintiffs have prepared three compilations of documents. The first of these contains seven documents, the second dated 18th March 2015 contains two and the third dated 4th April 2015 contains four. These are used by Dr. Tulzapurkar to demonstrate a *prima facie* case of the Plaintiffs' mark having acquired distinctiveness in fact. The first of the documents in the first compilation is a certified copy of the annual sales for the Plaintiffs' product bearing this mark from the year 2001 to the year 2008. The value for the last of these years, 2007-2008, is Rs. 201.25 Lacs. Dr. Saraf's submission in relation to this document is that the mark LEAKGUARD as shown on this certification of sales is not used in a standalone fashion but is only used in conjunction with the Plaintiffs' other mark HOLDTITE. I do not think this makes a material difference. As Dr. Tulzapurkar points out it is not a question of whether the mark is used in isolation, nor is there any requirement in law that a mark to receive protection must be used as a standalone mark. The test is to see whether, taking as a whole the manner of its use, it forms an essential, prominent and leading feature of the Plaintiffs' use of it. The documents annexed to the plaint, including the promotional materials and the images of the sample products do indicate that in some cases, for example in the promotional material, the mark LEAKGUARD has been used on its own by the Plaintiffs. In other cases, for example on container tins and jars, it is used in conjunction with HOLDTITE. However the word 'HOLDTITE' is, I find, invariably in

much smaller lettering and font and is far less conspicuously placed and positioned than the mark LEAKGUARD.

11. The plaint as also the first compilation produced by Dr. Tulzapurkar contain copies of invoices raised by Hardcastle & Waud prior to February 2008 when it made an assignment in favour of Pidilite, and a separate set of the invoices raised by Pidilite after that assignment. Some of these invoices have by now been marked in evidence in the suit. Dr. Saraf takes the most serious objection to some of these invoices. He does so to contend that there is no material to indicate that Hardcastle & Waud used LEAKGUARD openly, uninterruptedly and exclusively as a mark. Specifically, he says that one of the invoices, dated 12th November 2001, referred to by the Plaintiffs[2] *prima facie* appears to be a forgery. He points to several different fonts that appear to have been used on this document in support of his contention. The record indicates that in evidence not only is a photocopy of this invoice marked, but so too is the original. I have seen the original myself. It is a very old document, and this can be seen by a single look at it. How it comes to pass that the invoice bears several different typefaces or fonts is another matter and must await trial. The invoice also shows certain handwritten endorsements on it, but it is difficult at this stage to conclude that what is stated in the body of the invoice is a subsequent addition made at a much later date. The document itself does not show so. Dr. Saraf then points to another invoice of 27th May 2005.[3] Although this invoice is dated 27th May 2005, it

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2 Plaintiffs' Compilation I, *p.* 36. A copy was first marked as Exhibit P-8 in evidence. The original was later marked on 14th March 2014 at part of Exhibit P-12 *colly*.

3 Plaintiffs' Compilation I, *p.* 47.

references a consignment insurance policy dated 31st March 2006. This is not possible, says Dr. Saraf. The response from Dr. Tulzapurkar is that a copy of the insurance policy is now produced and is on record.[4] This shows that the policy was for the period 1st April 2005 to 31st March 2006 although it bears the date 31st March 2006. There is, he says, nothing inherently suspicious in this particular reference to that insurance policy. Dr. Saraf also attempts to make capital of the fact that in two of the invoices raised by Hardcastle & Waud,[5] the vehicle number is the same although the transporters are different. It is inconceivable, he says, that two different transporters should end up using the same vehicle. I do not think that this is in itself evidence of the invoices having been forged or fabricated. There may be several valid explanations for this: perhaps the vehicle was on contract and each of these transport agencies engaged the vehicle operator separately. This, too, must await the trial and it is useless to speculate at this stage. But for Dr. Saraf to contend merely on this basis that the invoices are "forged" or "fabricated" seems to me somewhat excessive. The original invoices are, as I have said, marked in evidence and it is clear to me from a look at these invoices that they cannot be rejected out of hand. All of them are of some vintage. They do not appear to be recent documents. *Prima facie,* it is not possible to accept Dr. Saraf's submissions in this behalf.

12. However, I do not think it is correct to telescope the two Plaintiffs' claims of the period of user into one. There appear to me to be two distinct periods: the claim of user by Hardcastle & Waud from 2001 to 21st February 2008, the date of its assignment in

4 Plaintiffs' Compilation II, *p.* 5.

5 Plaintiffs' Compilation I, *pp.* 46-47

favour of Pidilite, and the user claimed thereafter. Dr. Saraf is correct, in my view, in saying that for the prior period, from 2001 to 2008, the evidence of user is scanty and not sufficient to support the claim in passing off. It does not *per se* indicate the achievement of the level of distinctiveness that would be required. Even under section 34 of the Trade Marks Act, 1999, the prior user (from 2001 to 2008) must be shown to be continuous. The Hardcastle & Waud invoices produced, even on the basis they are genuine, do not show the kind of studied and continuous user as is necessary in such cases. In fact, the mark is not even used in a consistent manner across these invoices, appearing sometimes alone,[6] sometimes with HOLDTITE,[7] sometimes with the letters "**LG**" and sometimes not at all.[8] I notice that Hardcastle & Waud's invoice seem consistently to use the expression "LEAK GUARD" as two words, i.e., apparently in a descriptive manner, but the mark sought to be protected is these two words fused into one: "LEAKGUARD", and that is the manner in which Pidilite has used it since 2008. In order to be entitled to protection, the mark must have been used consistently, and as a mark, for a substantial period of time. The Defendants seem to have used it only as "LEAKGUARD".

13. The question of whether the mark can achieve distinctiveness does not arise in this case. Both sides assert that it can, and that they have each by dint of their efforts made it so. The question of distinctiveness in a matter such as this, based on a cause of action in passing off, is necessarily a factual test. If the contesting sides have both been using the mark in the same fashion, and one of

6 Plaintiffs' Compilation I, *pp.* 36 (2001), 40-41 (2003)

7 Plaintiffs' Compilation I, *pp.* 42-48 (2003-2005)

8 Plaintiffs' Compilation I, *pp.* 37-39 (2002)

them is shown to have been using it prior to the other, and it is *also* shown that that prior user is extensive, then the action in passing off can be maintained and protective relief cannot be denied. But it is not enough I think in the case of a descriptive mark to show prior user alone. It must be shown to be extensive and continuous, sufficient to support a claim of it having become distinctive in the hands of the previous user.

14. Dr. Saraf's accuses the Plaintiffs of suppression: the Plaint does not mention that at the time when Hardcastle & Waud adopted the trade mark and applied for its registration, that registration carried a disclaimer by which the 2nd Plaintiff, Hardcastle & Waud, specifically agreed not to claim exclusive rights in the words "LEAKGUARD". A copy of the advertisement in the Trade Marks Journal displaying this disclaimer is produced.[9] I note that even here, the application was for "HOLDTITE LEAK GUARD". Section 27(2) of the 1999 Act, and its precursor, Section 17 of the 1958 Act, contain an important proviso that serves to exclude all rights not covered by the statute. These provisions regarding a disclaimer have no effect on any other rights claimed. The disclaimer is entirely immaterial to the Plaintiffs' cause of action in passing off. Registration of a mark would undoubtedly give exclusivity except over any material that is specifically disclaimed. Once a mark is registered, a plaintiff is not required to prove reputation. In a passing off action on the other hand, the plaintiff must show both distinctiveness and reputation. In *Registrar of Trade Marks v. Ashok Chandra Rakhit Ltd.,*[10] a mark was registered. It contained the word **Shree**. The Registrar on his own inserted a

9 Notice of Motion paperbook, *p.* 46.

10 AIR 1955 SC 558

disclaimer. This was challenged and the matter was carried to the Supreme Court. In paragraph 9 of its decision, the Supreme Court said that the special advantages that the Trade Marks Act gives to a proprietor by reason of the registration of his trade mark do not extend to the parts or matters which he disclaims. Disclaimed matters do not enjoy statutory protection. However, and this is important, the Supreme Court clarified that this circumstance does not mean that the proprietor's rights in respect of the matter not protected under the statute are ineligible for common law protection. Should a proprietor have acquired any right by long user of even the disclaimed parts or matters in connection with his goods, on proving the necessary facts he may prevent an infringement of his rights in a passing off action. The disclaimer, the Court said in so many words, does not affect those rights in any way. Thus, the disclaimer is entirely irrelevant to an application for an injunction made on a cause of action founded in passing off and its so-called omission in the plaint, however desirable, is entirely immaterial.[11]

15. Dr. Saraf is, I believe, on much surer ground when he says that it is not sufficient when seeking an injunction on a cause of action based in passing off in relation to a descriptive term – and it is commonly agreed that the mark in question is indeed descriptive, or, at any rate, has what Dr. Tulzapurkar calls a 'descriptive flavour' – to merely plead this and then adduce only some material of user. It is necessary, Dr. Saraf submits, to show in addition that the mark has in fact become distinctive and acquired a secondary meaning.

11 *Godfrey Phillips India Ltd. v Girnar Food & Bevarages Pvt. Ltd.*, 1997 (2) ARBLR 59 (Delhi); *Skol Breweries Ltd. v Som Distilleries & Breweries Ltd. & Shaw Wallace & Co., Ltd.*, 2011 113 (5) Bom.L.R. 3257

By this, I understand him to mean that the term in question must have slipped its purely descriptive moorings, and arrived in much deeper waters where any invocation of the expression is, in the public mind and in the public perception, not just dominantly and usually associated with the plaintiffs' product, but is associated with that product to the exclusion of all others. In other words, when one is dealing with a descriptive term in an action for passing off, the very use of the term must bring to mind the plaintiffs' product and none other. I believe this to be correctly stated, and there is at least one overriding reason for this apart from the weight of authority on which Dr. Saraf relies. If, as Dr. Tulzapurkar suggests in response, it was always only ever sufficient to show mere distinctiveness without showing that the term has acquired a secondary meaning, and bearing in mind that Dr. Saraf places his case very carefully in relation to a term that is descriptive, it would necessarily mean that a party who has at his command a certain financial or commercial wherewithal and market reach might be able to wipe out legitimate competitors by merely claiming such 'distinctiveness' although in matter of fact there is no material to suggest that the term itself has acquired the necessary secondary meaning connoting only the plaintiffs' products. It is, I believe, for this reason that the Supreme Court in *Godfrey Philips India Ltd. v Girnar Good & Beverages (P) Ltd.,*[12] held that a descriptive trade mark may be entitled to protection if it has assumed a secondary meaning that identifies it with a particular product or as being of a particular provenance.

12 2005 (30) PTC 1 (SC). This was also the view in *Ayushakti Ayurved Pvt. Ltd. & Ors. v Hindustan Lever Ltd.*, 2004 (28) PTC 59 (Bom)

16. The test is actually stated with compact elegance in the extracts that Dr. Saraf relies on from Kerly on Trade Marks.[13]

> "**10.21 Nature and extent of evidence required.** The nature of the evidence of user required in the case of a word *prima facie* unsuitable is a question of degree, varying with the original unsuitability. Descriptive words are *prima facie* unsuitable and strong evidence of user would be required to prove distinctive character. The same remark applies to geographical names which are descriptive of the place of manufacture. In the case of a surname the rarer a surname, the less difficult it is to show that it has become distinctive of a particular trader's goods.
>
> **10.24 Factors taken into consideration.** Evidence of distinctive character is required where the mark lacks sufficient degree of capacity to distinguish. The extent of evidence required will depend upon the extent of lack of distinctive character in the mark itself, the lesser the distinctive character the stronger the evidence required and *vice versa*. **The extent to which a mark has lost its primary signification and the extent to which it has acquired a secondary signification are matters of inference to be drawn from the evidence before the tribunal.** In arriving at a conclusion on this point the following factors are taken into consideration:
>
> (a) the nature of objection to the mark, that is, whether it is the name of a person, surname, geographical name, descriptive word, letters or numerals;
>
> (b) the degree of distinctive character inherent in the mark itself,
>
> (c) the nature of the goods or services in respect of which registration is sought;

13 14th Edition, Sweet & Maxwell, 2005-2007

(d) the probable number of manufacturers of the goods, existing as well as potential, which will give an idea of the extent of competition in the trade;

(e) ...

...

(p) **The extent to which the secondary meaning acquired must displace the primary descriptive meaning of the mark. For registration of a trade mark it should be greater than what is required in a passing off action. It will depend upon the degree of descriptiveness of the mark**;

(q) Whether registration will interfere with the rights of honest trader;

(r) Whether the degree of descriptiveness is such that the mark should be kept open for use for all traders.

It may be noted that what is required to be proved ultimately is that the goods bearing the mark have come to be identified with the applicant's goods exclusively, as on the date of the application, and are likely to be so identified in the future, among a substantial number of consumers of the goods. It is not necessary that the public should know the name of the proprietor of the mark or of the manufacturer of the goods. **It is sufficient if the mark indicates to them that the goods on which it is seen emanate from a particular trade source.**

Where a mark is *prima facie* descriptive, evidence not of the members of the public but of people in a special position to know of the origin of the goods may not be sufficient to prove that the mark has become distinctive of a particular person's goods."

(*Emphasis supplied*)

17. Therefore, mere evidence of extent of use – invoices, financial figures of sales and so on – might perhaps show use or even increased use. But something more is necessary to show that the use is such that the mark has become distinctive. As the commentary says, use itself does not equal distinctiveness. In the context of a descriptive mark even extensive use is insufficient and what is required, as is borne out by the extract from the commentary in Narayanan on Trade Marks[14], is that the secondary meaning acquired must be shown to have displaced entirely the primary descriptive meaning of the mark. To succeed in such a action what a plaintiff must show is that the goods bearing the mark have come to be identified with his goods exclusively, and in the case of a descriptive mark, evidence is necessary of members of the public as well, not just people who are specially placed to attest to its uniqueness.[15]

18. There can be no dispute that even a descriptive word or an expression can lend itself to registration. That is not in issue. A trade mark that is not registered can even otherwise receive protection. However, in order to do so I think it is necessary that it be demonstrated convincingly that its use is extensive, its publicity wide and in consequence that it had achieved some sort of secondary distinctive meaning. This is always a question of degree. Where a defendant is able to show that the product has long been used *bona fide* and that this use by other third parties, including the defendant himself, is not only known but is open and notorious, and the defendant has made significant expenditure and had significant

14 6th Edition pages 272 to 275, paragraph 10.21 to 10.24.

15 *Office Cleaning Services, Ltd. v. Westminster Window And General Cleaners Ltd,* LXIII RPC 39

sales, then it would be difficult to hold that the plaintiff's mark has acquired such distinctiveness as would lend the average consumer to associate it exclusively with the plaintiff's products. In this context, I believe Dr. Saraf's reliance on the decision of a learned Single Judge of the Delhi High Court in *Rich Products Corporation & Anr. v Indo Nippon Food Ltd.,*[16] is completely appropriate. Paragraph 39 of that decision merits reproduction:

> "39. Consequently, this brings me to the submission of the Plaintiffs that the Defendant's use of the infringed mark constitutes passing off. In this connection, let me reiterate the well known parameters of what constitutes passing off. Passing off as is ubiquitously held in most jurisdictions subject to usual turn of phrase or change of phraseology, a tort of false representation, whether intentional or unintentional whereby, one person attempts to sell his goods or services as those manufactured or rendered by another which is "calculated" to damage the goodwill of that other person. Thus, the necessary ingredients which a Plaintiff in an action of passing off is required to prove, is the:
>
> (i) employment of deception. Mere confusion will not suffice;
>
> (ii) intent is not a necessary as long as the unwary consumer is deceived; and
>
> (iii) the act of the tort should injure the goodwill not just his reputation.
>
> **<u>The cause of action for passing off are premised on the "classical trinity" form or the extended form. A "classical form" of passing off is one where a person seeks to trade his goods as those originating from</u>**

16 2010 (42) PTC 660 (Del.)

> **another; thus injuring such person's individual business and goodwill.** Extended form of passing off is one where court's seek to protect "shared goodwill" accruing in favour of a class of traders; for example, on account of geographical connotations. [see J. Bollinger SA v. Costa Brava Wine Co. Ltd., (1960) R.P.C. 16 (in short the 'Champagne case'), Vine Products Ltd v. Mackenzie & Co. Ltd. (1969) R.P.C. 1 (in short the 'Sherry case'), Erven Warnink v. J. Townend & Sons. (1980) R.P.C. 31 (HL) (in short the 'Advocaat case') and Reckitt Colman Products Ltd. v. Borden, (1990) R.P.C. 341 H.L.]

(*Emphasis supplied*)

19. *Windsurfing Chiemsee Produktions-Und Vertriebs G.m.b.H. v. Boots-Und Segelzubehor Walter Huber*[17] also relied on by Dr. Saraf, is a case that has received a considerable amount of attention in Europe. In that case, the rival marks were identical as they are in the present case: the mark was the word "CHIEMSEE". Leaving aside the question that arose in that particular case that the word designated a geographical location or region, which, in the mind of a relevant class of person, was associated with the place where that category of goods were or could be manufactured or conceived and designed, what is material for our purposes is the second issue that was decided in that case. This related to the matter of when a trade mark consisting of a geographical name could be said to have acquired a distinctive character. For our purposes, it makes no difference whether the mark in question is a mark of common language, a laudatory term, a descriptive word or a geographical

17 (1999) ETMR 585, ECJ = (2000) Ch. 523. Followed in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*, [2000] FSR 78, ECJ, and *Dualit Ltd's Trade Mark Applications*, (1999) RPC 890.

name. What the Court of Justice of the European Community held was that in determining whether a mark had acquired a sufficiently distinctive character following its use, an overall assessment of evidence is required to arrive at a conclusion that a mark had come to identify the product as originating from one particular undertaking, thus distinguishing it from the products or goods of other enterprises. How is this usually to be done? Should the production of invoices be considered enough? That Court held in that particular case that other factors were equally important: market share, geographical distribution, longevity of user, the proportion of the relevant class of persons, who, because of the mark, identify goods as originating from a particular undertaking, and statements from chambers of commerce and industry or other trade or professional associations.

20. On the necessity of establishing that a descriptive mark has acquired a secondary meaning, the decision of a Single Judge of the Delhi High Court in *Indian Shaving Products Ltd. & Anr. v Gift Pack & Anr.,*[18] is instructive. The Court in terms held that where the word has a dictionary meaning, i.e., it is a non-distinctive word or a descriptive word, and is being used as a trade mark, it must be shown to the satisfaction of the Court that it has acquired a secondary meaning or a distinctive character with constant user for a considerable period of time. Specifically, the user of the impugned word or mark in question must be to such an extent – again a question of degree – that it has lost its primary meaning and acquired a distinctive character. The Court said that:

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[18] 1998 PTC (18)

> "the moment the same is used it must remind the consumer of the goods of the Plaintiffs."

The qualification attached to the use of a descriptive word as a trade mark is that it must be shown that it has been associated and used in connection with the goods of the plaintiffs for so long that it has come to acquire an altogether different meaning other than what is ordinarily conveyed in everyday usage. The Court cited the authoritative text by Christopher Wardlow to the effect that a mark that is *prima facie* descriptive is only protected if it can be shown to have acquired a secondary meaning, that is to say that it has become distinctive of the plaintiff. The burden of proof in respect of such descriptive marks is significantly higher than in cases where the marks cannot be said to be descriptive.[19]

21. In *Marico Ltd. v Agro Tech Foods Ltd.,*[20] a Division Bench of the Delhi High Court[21] was dealing with two rival marks LOW-ABSORB and LO-SORB in respect of edible oils. The Division Bench relied on the decision of another Division Bench of the Delhi Court in *Cadila Healthcare Limited vs. Gujarat Co-operative Milk Marketing Federation Limited.*[22] The Delhi High Court's *Cadila* decision dealt with a peculiar situation. The plaintiff manufactured an artificial sweetener under the trade mark "SUGAR FREE". The defendant (the manufacturers of the Amul range of dairy and associated products), manufactured a frozen dessert or ice cream which was advertised as being sugar free. The question before the *Cadila* Division Bench

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19 See also *Global Eventz v India Property Online Pvt Ltd*, MIPR 2015 (1) 0232

20 2010 (44) PTC 736 (Del.) (DB)

21 Sanjay Kishan Kaul, J as he then was and Valmiki Mehta J.

22 2009 (41) PTC 336.

was whether the plaintiff was entitled to protection. The *Cadila* Division Bench held that where a descriptive expression is used as a trade mark, unless it be shown that that mark has acquired a secondary meaning and distinctiveness, a plaintiff claiming exclusivity must be prepared to accept and tolerate some degree of confusion that is inevitable owing to the use of the same expression by competitors. This view was specifically approved by the Delhi High Court in *Marico*. It is inappropriate, the *Marico* Court said, that a first-mover advantage should result in an expropriation of a purely descriptive expression. This would be contrary to the statutory intent. The *Marico* Court went on to explain that the expression 'distinctive' means such use of the trade mark in relation to a person's goods that the public immediately and unmistakably co-relates the marks with the source or the particular manufacturer or owner. When a word mark is arbitrarily adopted and does not have a co-relation to the goods in question (and by this I understand the Division Bench to mean that it does not describe any particular quality or feature of the product) then distinctiveness is achieved by the normal and ordinary use of the trade mark in respect of the goods. This is not so for a mark that is descriptive. It is when the use of a descriptive mark is undisturbed for a very long period of time without anyone else attempting to use that mark during that period, that it can be said that a case has been made out of the descriptive word having achieved distinctiveness and a secondary meaning.

22. But on the footing that there are very few, if any, absolutes in this branch of the law, let me assume for a moment that the proposition that Dr. Saraf advances is overbroad, i.e., that it is not

absolutely necessary that in every single case of use of a descriptive mark it is essential for a plaintiff to establish that the mark has acquired a 'secondary' meaning. In other words, I will assume that Dr. Tulzapurkar's formulation of a slightly lower threshold of 'mere distinctiveness' is sufficient. It seems to me a clear statement of this branch of the law that in order to receive protection, there must be some employment of deception. This is after all an action in passing off. It must be shown that even unwittingly, i.e., perhaps not deliberately, the Defendants' goods are being mistaken for those of the Plaintiffs. An actual devious, or *mala fide* malicious intent is unnecessary. There must be evidence of the deception of an unwary customer. Dr. Tulzapurkar's response that this requirement is true only where marks are similar and not where the marks are identical because there confusion must be assumed, is also, I think, far too broadly stated. It is entirely possible that two persons may be using the identical descriptive marks in respect of the same series of goods, both proceeding neck and neck or, at any rate, both having at their command sufficient evidence of use, expense and market share to make it impossible to conclude that it is only the plaintiff's mark that reigns and consumers are actually being deceived. In a matter such as this, though not in every case, I would expect there to be some evidence of such confusion or deception. What is it that the Plaintiffs before me have produced? All we have are some promotional materials, of yet unknown wideness of circulation, and a number of invoices. We do know that these are invoices raised by the two Plaintiffs, each in their time. Dr. Saraf is correct, I think, in saying that there is insufficient evidence of sufficient widespread user, at least for what the Hardcastle and Waud period, as would lead a Court to ineluctably conclude that the Defendants' products are or have been mistaken for those of the Plaintiffs. Of this level of deception or confusion, there is no evidence whatsoever. There are no market surveys. I do not mean to suggest that a market survey is necessary in every single case, and to that extent Dr. Tulzapurkar may be correct when he says that this is not a mandatory or a compulsory requirement in law. Nonetheless when the matter is reasonably evenly poised, as I think it is in this case, then the Plaintiffs' burden is that much heavier.

23. One needs to balance the material produced by the Plaintiffs against the material produced by the Defendants. For, in this case, it is not as if the Defendants have produced no evidence at all. In the Affidavit in Reply,[23] the Defendants have produced a series of invoices that show quite substantial sales of their products bearing this very mark. These sales are from 2005.[24] Additionally, there is evidence of promotional material and expenses incurred by the Defendants in promoting their products.[25] The Defendants claim not only to have spent on printed publicity materials but also on advertising in other media such as television and film.[26] The Defendants also claim to have participated in agricultural exhibitions and trade fairs in different parts of India. They have produced a Marathi film, distributed several thousand CDs of this film and issued advertisements in different vernacular languages. There are repeated audio advertisements on various radio stations. All of this material is available on record. In fact, there is to my mind one telling circumstance that militates against the Plaintiffs.

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23 Notion of Motion paperbook, from *p.* 64

24 From page 64-65 of the Notice of Motion paper book.

25 From page 96 of the Notice of Motion paper book onwards.

26 From page 160 of the Notice of Motion paper book onwards.

Dr. Tulzapurkar points out that one of the earliest invoices is to one consumer in Jalgaon where the Defendants are based. If that be so, that is a factor that must weigh against the Plaintiffs and not in their favour. The material on record seems to indicate that the Defendants have been using the same mark quite extensively, advertising it, promoting it, and making no attempt whatsoever at subterfuge or to lead anybody to believe that their products were in any way connected to those of the Plaintiffs.

24. This assumes some significance because of the Defendants' plea of acquiescence on the part of the Plaintiffs. It is now settled that mere delay will not defeat a plaintiff's cause. Acquiescence is something different. It involves standing idly by while the other party continues to spend and incur expenditure in order to grow his business.[27] Allowing him to do this and to then claim an entitlement to a restraint against him is something that a court of equity will not countenance. The Plaintiffs say quite blithely that they learnt of the Defendants' user only in 2009. I find that very hard to believe. It is true that the Defendants first claimed user from 2000, but they corrected this saying that it was an inadvertent error, and quite candidly claimed that they were not users till 2005. Given that the use by the Defendants has been open and without any attempt at concealment, I do not think that the statement made by the Plaintiffs that they only learnt of the Defendants' user in 2009 is one that should receive ready acceptance at this *prima facie* stage. The markets and channels are very likely the same, and the Plaintiffs cannot possibly have been unaware of the Defendants' use. The suit itself was filed only in 2010 after a notice a little

27 *Power Control Appliances & Ors. v Sumeet Machines Pvt Ltd.*, (1994) 2 SCC 448

earlier. I do not think it is possible to hold that *prima facie* there is no case to be made out for acquiescence on the part of the Plaintiffs. Dr. Saraf is correct in his submission in my view in relying on the decisions of the Supreme Court in *Wander Ltd. & Anr. v Antox India P. Ltd.,*[28] to say that all that is necessary is to preserve the status quo and the rights of the parties as they appear at the *prima facie* stage. It is in this context that I must view the fact that from the time the suit was filed, till today, the Plaintiffs have not obtained an ad-interim injunction. This is of course partly a delay in the judicial process, but it is not merely that. The Plaintiffs must now, once the suit itself is actually at trial, make out an even stronger case to establish not only a *prima facie* case (which I do not believe they have done) but also to show that the balance of convenience is so overwhelmingly in their favour that despite their own delay in bringing the suit and despite the fact that they have enjoyed no protection in these intervening years, an order of injunction must now be granted. The Plaintiffs must show that the want of an injunction will *now* result in irredeemable prejudice and loss to them, and that it will result in an irreparable dilution of their mark. For this, they must show *prima facie* that there is a case to be made in passing off. I do not believe they have been able to do that, and I am unable to return any such findings.

25. The Notice of Motion is dismissed. There will be no order as to costs.

(G. S. PATEL, J.)

CERTIFICATE

"Certified to be a true and correct copy of the original signed Judgment/Order."

[28] 1999 (Supp) SCC 727