

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR. JUSTICE P.B.SURESH KUMAR

TUESDAY, THE 17TH DAY OF MARCH 2015/26TH PHALGUNA, 1936

RFA.No. 560 of 2005 ()

AGAINST THE JUDGMENT IN OS 1/2004 of I ADDL.DISTRICT COURT,
ERNAKULAM, DATED 11-03-2005.

APPELLANTS/DEFENDANTS 1 AND 2:-

1. M/S. NATIONAL PAINT INDUSTRIES,
A PARTNERSHIP FIRM HAVING ITS OFFICE AT THANGALAM
A.M. ROAD, KOTHAMANGALAM, ERNAKULAM DISTRICT.

2. MR. GEORGE C.MATTOM ALIAS BABU,
AGED ABOUT 45 YEARS, S/O. P.V.CHACKO, PARTNER
NATIONAL PAINT INDUSTRIES, THANGALAM, A.M.ROAD
KOTHAMANGALAM, ERNAKULAM DISTRICT, KERALA
RESIDING AT 'MATTOM HOUSE', NEAR

BY ADVS.SRI.M.NARENDRA KUMAR
SMT.LEENA KRISHNAN

RESPONDENTS/PLAINTIFF & DEFENDANTS 3 AND 4:-

1. M/S. NATIONAL PAINT FACTORIES COMPANY
LIMITED, POST BOX NO.5822, SHARJAH
UNITED ARAB, EMIRATES
REPRESENTED BY ITS AUTHORIZED SIGNATORY
MR.C.M. SATHYADEVAN.

2. MR.ABRAHAM ALEX, AGED ABOUT 54 YEARS,
S/O. ABRAHAM, PARTNER, NATIONAL PAINTS INDUSTRIES
THANGALAM, A.M. ROAD, KOTHAMANGALAM
RESIDING AT, ENAMIKAL HOUSE, POTHANICAD
ERNAKULAM DISTRICT.

3. MR. SAJI VARGHESE, AGED 39 YEARS,
S/O. VARGHESE, PARTNER, NATIONAL PAINTS INDUSTRIES
THANGALAM, A.M. ROAD, KOTHAMANGALAM
RESIDING AT, KIZHUKANDAYIL HOUSE, KOMENTHABHAGAM
VAZHITHALA, NEAR THODUPUZHA, IDUKKI D

R1 BY ADV. SRI.C.G.SUNIL
R1 BY ADV. SRI.SAJI MATHEW
R1 BY ADV. SRI.DENU JOSEPH

THIS REGULAR FIRST APPEAL HAVING BEEN FINALLY HEARD ON
17-03-2015, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

Kvs/-

C.R.

P.B.SURESH KUMAR, J.

R.F.A.No.560 of 2005.

Dated this the 17th day of March, 2015.

J U D G M E N T

Defendants 1 and 2 in an action for passing off have come up in this appeal challenging the decision in the suit.

2. The plaintiff is a company incorporated in United Arab Emirates. The case set up by them in the plaint is that they are producing paints from their factory in Sharjah from the year 1977 onwards under the trade name 'National Paints'; that they have acquired reputation for their products in various countries including United States of America, Denmark, Holland, etc; that the trade name of the plaintiff and their logo are registered in various countries and that on account of the presence of large number of non resident Indians in United Arab Emirates, the plaintiff has acquired reputation for their products in India as well. According to them, on account of the reputation acquired by them in India, they have appointed a distributor in India and when they attempted to launch their products in India, it was revealed that the defendants are

engaged in manufacturing and selling low quality paints in the trade name of the plaintiff as if the plaintiff themselves is manufacturing and selling the products in India. It is also their case that the products manufactured and sold by the defendants in India in the name of the plaintiff are inferior in quality and conduct of the defendants in passing off their products as the products of the plaintiff has adversely affected the reputation enjoyed by the plaintiff in India. It is stated by the plaintiff in the plaint that they have sustained huge damages on account of the deceptive conduct of the defendants. The relief sought in the suit, in the circumstances, was a prohibitory injunction restraining the defendants and the persons acting under them from manufacturing and selling any products in the trade name of the plaintiff namely, 'National Paints' or in any other name deceptively similar to the same.

3. The defendants contested the suit contending inter alia that they have been selling the products of the plaintiff in India from the year 2000 onwards in the name of their firm Elbee Enterprises, after importing the same from the dealer of

the plaintiff at Sharjah namely, Al AFFIF BUILDING MATL & PAINTS TRDG. LLC; and therefore the question of passing off does not arise. Alternatively, they have also contended that the plaintiff has not acquired any reputation for their products in India and therefore the plaintiff is not entitled to the relief sought against them.

4. The evidence on the side of the plaintiff consists of the oral evidence of PWs.1 and 2 and Exts.A1 to A28 documents. On the side of the defendants, a witness was examined as DW1 and Exts.B1 to B3 documents were marked. Two empty containers produced by the plaintiff before the court below were marked as material objects.

5. The trial court, on an elaborate consideration of the materials on record, rejected the contention of the defendants that they are selling the products of the plaintiff after importing the same from their dealer in United Arab Emirates and found that the defendants are selling their own products in India in the trade name of the plaintiff 'National Paints'. Accordingly, the suit was decreed. Defendants 1 and 2 are aggrieved by the

said decision of the trial court.

6. Heard Sri.M.Narendra Kumar, the learned counsel for the appellants and Sri.Denu Joseph, the learned counsel for the respondents.

7. The fact that the defendants were using the trade name of the plaintiff 'National Paints' for selling their products in India is not disputed. On the other hand, the contention raised in the appeal is that the plaintiff being a foreign company is entitled to the relief sought in the suit only if they are able to establish that they have acquired a reputation for their products in India. The principle behind an action for passing off is that one shall not sell his goods or services under the pretense that they are the goods or services of another. As such, there cannot be any dispute to the proposition that the plaintiff in an action for passing off has to establish that he has acquired a reputation attached to the product which he supplies in the mind of the purchasing public, as otherwise, the question of passing off does not arise. In today's world, knowledge and awareness of the trade name or mark of a product is not

restricted to the people of the country where the product is available. On account of the advanced means of communication as available at present, a product and its trade name transcends the physical boundaries of a geographical region and acquires a trans-border or overseas or extra-territorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trader and its trade mark can be available at a place where goods are not being marketed and consequently not being used. [See **N.R.Dongre v. Whirlpool Corporation** (AIR 1995 Delhi 300)]. As such, it cannot be contended that the plaintiff cannot acquire reputation for their products in India merely for the reason that they are not selling their products in India. The specific case of the plaintiff in the plaint is that the materials on record do establish the trans-border reputation of the plaintiff for their products in India. The question that arises for consideration is, therefore, whether the plaintiff has established the trans-border reputation claimed by them in India.

8. The case pleaded by the defendants in the written statement is that they are only selling the products of the plaintiff in India after importing the same from their dealer in the United Arab Emirates. The evidence on record would only indicate that the defendants have imported the products of the plaintiff from their dealer once for a particular purpose. In the absence of any agreement from the plaintiff permitting the defendants to import and sell their products in India, the court below has not accepted the case of the defendants that they are selling the products of the plaintiff in India. On the other hand, on facts, the court below found that the defendants have been selling their products in the name of plaintiff as if the same are being sold by the plaintiff themselves. But, the very contention of the defendants that they are selling the products of the plaintiff would establish the reputation of the plaintiff in India. If the plaintiff does not have any reputation for their products in India as contended by the defendants, there was no reason at all for the defendants to import the products of the plaintiff to India. As noticed above, the court below found that the

defendants were manufacturing and selling their products in India in the name of the plaintiff. If, as a matter of fact, the plaintiff does not have any reputation as claimed by the defendants, there is no reason why the defendants should sell the products manufactured by them in the name of the plaintiff. Ext.A16 is the newspaper advertisement of the defendants. In Ext.A16, the defendants themselves have admitted the world wide reputation of the products of the plaintiff. The relevant statement in Ext.A16 reads thus:

“ലോക പ്രശസ്ത പെയിന്റ് നിർമ്മാതാക്കളായ നാഷണൽ പെയിന്റ്സ് ഇതാ നിങ്ങൾക്കരികിൽ”

The materials on record would thus establish the reputation of the plaintiff for their products in India.

There is, therefore, no merit in the appeal and the same is, accordingly, dismissed.

Sd/-P.B.SURESH KUMAR, JUDGE.

Kvs

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PA TO JUDGE.