

Shephali

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
NOTICE OF MOTION NO. 2624 OF 2012
IN
SUIT NO. 2497 OF 2012**

INTERNATIONAL FOODSTUFFS CO. LLC., a limited liability company incorporated under the Laws of U.A.E., having its address at A1 Wadha Street, Industrial Area No. 1, Post Office Box 4115, Sharjah, U.A.E. and represented in India through its constituted attorney Ms. Sangeeta Chavan, having her office at c/o Allana House, Allana Road 2nd Floor, Colaba, Mumbai 400 001. ...Applicants/
Plaintiffs

Versus

- 1 PARLE PRODUCTS PVT. LTD.**
a company incorporated under the Indian Companies Act, 1956, having its registered office at V. S. Khandekar Marg, Vile Parle (E), Mumbai 400 057.
- 2 PARLE BISCUITS PVT. LTD.**, a company incorporated under the Indian Companies Act, 1956, having its address at North Level Crossing, Vile Parle (E), Mumbai 400 057. ...Defendants

Mr. Vinod Bhagat, *a/w Mr. Dhiren Karania, i/b M/s. G. S. Hegde & V. A. Bhagat, for the Plaintiffs.*

**Mr. Viraag Tulzapurkar, Senior Advocate, Mr. Ramesh Gajria
and Ms. Deepa Hate, i/b M/s. Gajria & Co., for Defendants
Nos. 1 and 2.**

**CORAM: G.S. PATEL, J
DATED: 11th April 2016**

ORAL JUDGMENT:

1. This order will dispose of the Plaintiff's application for infringement and passing off. The Plaintiff claims that the Defendants' product, a boiled confectionary sweet, is sold under a mark that so closely resembles the mark used by the Plaintiff for its ice cream that the Plaintiff is entitled to an injunction on both causes of action, i.e., trademark infringement and passing off.

2. I disagree. My reasons follow.

3. To begin with, there is a very great deal of controversy about whether the Plaintiff does or does not have any entitlement to the mark in question. I have, however, for the purposes of this Notice of Motion, made it clear that I am not addressing this issue. It will be left open to the trial of the Suit. I will proceed further on the basis that the Plaintiff is indeed the proprietor of its mark at page 29 of the Plaintiff.

4. This is the mark "LONDON DAIRY", depicted in a stylised fashion. The two words are used separately. They are depicted on a device of a banner or ribbon. The colour scheme is unique. It uses a dark or navy blue for the distinctive font against a white

background. The banner or ribbon has a gold border. Above the word “LONDON” is a stylised graphic or what appears to be the London Bridge.

5. It is not in dispute that this mark is used by the Plaintiff in respect of, and only of, ice-cream. This is a matter of some consequence, since it is the case of Mr. Tulzapurkar for the Defendants that the Plaintiff has not ever used this mark for any other product, and has admitted that it uses this mark only for ice-cream. The Defendants’ mark is shown at Exhibit “P1” at page 225. This is the mark “LONDONDERRY”. It is used as a single word. The colour scheme is entirely different. The Defendants’ packet is a bright red. The letters are in white and in a different font. There is a pictograph of what appears to be a splendid pastoral scene with well-fed farm animals roaming hither and yon and a winsome milkmaid in a flowing dress and an apron. This pictorial is set in a half oval device. There is a sweeping line over it with some text. On one face of the wrapper — though there is a dispute about it whether this is the front or the rear face; I believe it is the former — is the Defendants’ house mark “Parle”.

6. Mr. Bhagat for the Plaintiff submits that these points of distinction are all irrelevant. For, he submits, there is absolutely no phonetic distinction between the two marks. They cannot possibly be pronounced differently. The Plaintiff has a registration in Class 30 which covers the goods, i.e., boiled confectionary sweets, for which the Defendants are using their mark.

7. The facts are not many. The Plaintiff has been in business since 1975 or thereabouts. It is a Dubai-based company. We are concerned here with a particular range of products, i.e., various flavours of ice-cream. According to the Plaintiff it is the registrant of the mark “LONDON DAIRY”, the word *per se* since 2001. The word “LONDON” was specifically disclaimed even at the time. In 2007, the Plaintiff obtained registration for the label mark. There is another registration of 2005 for “LONDON DAIRY CAFE” in Class 42 (now Class 43). The word mark and the label mark are both registered in Class 30. In 2011 the Defendants applied for registration for the mark “LONDONDERRY”. This is still pending registration. According to the Defendants, they began using the mark in 2011 and have used it continuously since.

8. The Plaintiff claims to be part of a group of companies that between them cover a wide range of products. It says its predecessor built a strong market share in various brands in various countries across the world. Annexed to the plaint are statements of global sales data of ‘London Dairy’ products sold in various Middle Eastern jurisdictions, India, Singapore and Jordan. These are expressed in US dollars and they are indeed significant. In 2011 alone, the sales were more than US \$ 32 million. Similarly, there are considerable amounts expended in sales and promotions (more than USD 5 million in 2011-2012). There are also sample invoices, both foreign and domestic. The Plaintiff has also shown its domestic sales from 2010 onwards. These are to be found at pages 56 and 57 of the Plaint. They are expressed both in volume (litres) and in crores. Relative to the international sales, these are perhaps modest. In 2011-2012, they were roughly Rs. 5.5 Crores.

9. The Plaintiff says that the Defendants dishonestly adopted their mark 'LONDONDERRY'; the 2nd Defendant has been using it under license from Defendant No. 1. At this stage, I must note that there are two different marks of which the Defendants have sought registration. These are shown at pages 226 and 227 of the Plaintiff. At page 226, Exhibit "Q", is the mark 'LONDONDERRY' as a single word. The mark at page 227 shows two separate words 'LONDON' and 'DERRY'. Mr. Tulzapurkar states, and I will accept this, that the only mark used by the Defendants is the one at page 226, i.e., "LONDONDERRY" as a single word.

10. Mr. Bhagat's submission is that unless the Defendants are able to show that their adoption of the mark is *bona fide*, the injunction must follow, the Plaintiff being a prior registrant of the mark in question and there being no discernible phonetic distinction between the two. He relies on the decision of the Supreme Court in *Ruston & Hornsby Ltd. vs The Zamindara Engineering Co.*¹ in support of his submission that where the two marks are deceptively similar the Plaintiff is entitled to an injunction on the cause of action in infringement. He also relies on a decision of this Court (Kathawalla, J.) in *Pidilite Industries Limited vs Jubilant Agri & Consumer Products Limited*.² There the dispute turned on the use of the word "Marine" and whether it was being used in the context of plywood in a purely descriptive sense or 'in a trade marky sense'. Kathawalla J concluded that the Plaintiff's use of the mark was as a trade mark and not in a descriptive sense and, therefore, granted the injunction sought. There were various other

¹ (1969) 2 SCC 727

² Notice of Motion (L) No. 1717 of 2013 in Suit (L) No. 752 of 2013, decision dated 13th January 2014.

factors that went into that case, and these may not apply to the case at hand.

11. Similarly, Mr. Bhagat relies on the decision of the Delhi High Court in *Indian Hotels Company Ltd. & Anr. vs Jiva Institute of Vedic Science & Culture*.³ for the proposition that it is for the Defendants to show that their adoption of their mark was *bona fide*, failing which the injunction must follow. Similarly, references are made to the decisions in *Automatic Electric Limited vs R. K. Dhawan & Anr.*⁴ and *Gorbatschow Wodka KG vs John Distilleries Limited*,⁵ the latter for its finding that there was no *bona fide* explanation in adopting so close a design of a bottle. Finally, the submission is that the Defendants ought to have conducted a search⁶ and if they failed to do so they have only themselves to blame.

12. Mr. Bhagat now raises an argument that I wholly unable to follow. Apart from saying that there is a phonetic similarity and, therefore, there should be a blanket protection, he says that the Plaintiff also manufactures confectionery although under another mark 'Tiffany' and, therefore, they should get an injunction restraining the Defendants' use of 'LONDONDERRY'. Parsing the submission yields this: that because the Plaintiff has another mark 'Tiffany' for confectionery, therefore the Defendants' use of 'Londonderry' for boiled sweets must be held to be an passing off

³ 2008 (37) PTC 468 (Del.) (DB)

⁴ 1999 PTC (19) 81

⁵ 2011 (47) PTC 100 (Bom.)

⁶ *Bal Pharma Ltd. vs Centaur laboratories Pvt. Ltd. & Anr.*, 2002 (24) PTC 226 (Bom.) (DB).

or an infringement of the Plaintiff's mark 'London Dairy' for ice-cream. This submission only needs to be stated to be rejected.

13. What Mr. Bhagat points out in saying this is actually a facet central to Mr. Tulzapurkar's case for the defence. He says that the Defendants' application for the use of their mark at Exhibit "Q" at page 226 although in class 30 does *not* include ice-cream. Therefore, this is a factor that must weigh against the Plaintiff and not for it, for it is a fundamental strut of the Defendants' case that the Plaintiff has never used its mark for anything other than ice-cream. It is not enough, Mr. Tulzapurkar submits, and I think he is correct, to say that because one has registration in a class that includes very many items therefore protection is axiomatically to that mark in respect of all the items in that class, however dissimilar, however disconnected and irrespective of whether or not there is any use of the mark for those other types of goods. Mr. Tulzapurkar points out that factually there is no dispute about this. The Plaintiffs have admitted that their use is only in respect of ice-cream.⁷ He submits that non-use for more than five years consecutively for other goods in Class 30 is sufficient ground for removal of the mark at least as regards other goods in view of the provisions of Section 47 of the Trade Marks Act, 1999.

14. Every registrant, he submits, should be required to be careful to specify the goods within the class, even multiple goods, for which the use is proposed. At any rate, by virtue of this admitted and demonstrated non-user, the Plaintiffs must be deemed to have limited their use only to ice-cream within Class 30. I think Mr.

⁷ Notice of Motion paperback, paragraph 11, *p.* 111.

Tulzapurkar is correct. Certainly this is how I would understand an entry in that class. A registration must be read in a reasonable and rationale fashion. I do not think that the purpose of this statute is to afford such wide ranging protection irrespective of use. There is also sufficient authority for this, as Mr. Tulzapurkar points out when he relies on the Supreme Court decision in *Vishnudas Trading as Vishnudas Kishandas v Vazir Sultan Tobacco Co. Ltd., Hyderabad & another*.⁸ This was a case that related to different tobacco products, viz., the kind used in cigarettes and the kind used in other preparations such as chewing tobacco and so on. In paragraphs 44, 45 and 46 of its decision, the Supreme Court specifically addressed itself to this question. It said that a class in the Fourth Schedule to the Act may include a very large number of goods or articles, each separately identifiable and vendible, but not necessarily all being goods of the same description as commonly understood in trade or common parlance. Within that particular class to which tobacco products related, there were a number of distinctly identifiable goods, marketed separately, and used differently. The contention that registration for a class carried with it protection across the entire spectrum of the goods in that class was not accepted by the Supreme Court. We are in very much the same position here.

15. In addition, this argument that all the goods in that class are ‘cognate’ and ‘allied’ is one that I simply cannot accept. Visually there is nothing at all common between the two marks. The words themselves are different. Londonderry is a county in Northern Ireland. The Plaintiff’s mark refers to a milk product manufacturing unit in the England’s capital. The two may have the

⁸ AIR 1996 SC 2275

same pronunciation but that is not the entirety of the test. The Plaintiff's product is entirely distinct. It is packaged differently. It requires refrigeration. Its price point is entirely distinct as well. The Plaintiff's products are indeed expensive by Indian standards, starting at Rs. 80/- and going only northward from there. The Defendants' boiled sweet is available in single sachets priced at Rs.0.50. I should not be at all surprised if, at this price, these sweets are used in unusual, but quintessentially Indian ways, as, perhaps, return change at our highway toll gates. The point is that the vendibility of the two products is so entirely different that, in addition to the visual distinctiveness, I can see no possibility at all of any person, however average his intellect or imperfect his recollection, or even that unfortunate from Foster J's dictum in *Morning Star Cooperative Society v Express Newspapers*,⁹ confusing one for the other. When it comes to questions of similarity, the test is one of perception. Like beauty, this lies in the eye of the beholder; in trade mark cases, that of the Judge.

16. Mr. Tulzapurkar's next point again questions registration, but again this is something I choose to leave open for the purposes of this Notice of Motion. I do not think it is necessary to discuss this. He submits that this case falls within the three narrow exceptions mentioned by the Supreme Court in the Full Bench decision in *Lupin Limited v Johnson & Johnson*. Perhaps. But that can await another day. It is certainly unnecessary for a decision on this Notice of Motion.

⁹ [1979] FSR 113. The same phrase was used again in the same year by Denning LJ in *Newsweek Inc v British Broadcasting Corp* [1979] RPC 441.

17. Of more significance for the present purposes, is Mr. Tulzapurkar's submission under Section 36(2)(b) of the Act. This section must be read with Section 17 of the Act. The two sections are set out below.

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

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

(a) contains any part—

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

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

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

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

"36. Saving for words used as name of description of an article or substance of service.— (1) The registration of a trade mark shall not be deemed to have become invalid by reason only of any use after the date of the registration of any word or words which the trade mark contains or of which it consists as the name or description of an article or substance or service:

Provided that, if it is proved either—

(a) that there is a well known and established use of the said word as the name or description of the article or substance or service by a person or persons carrying on trade therein, not being use in relation to goods or services connected in the course of trade with the proprietor or a registered user of the trade mark or (in the case of a certification trade mark) in relation to goods or services certified by the proprietor; or

(b) that the article or substance was formerly manufactured under a patent that a period of two years or more after the cesser of the patent has elapsed and that the said word is the only practicable name or description of the article or substance,

the provisions of sub-section (2) shall apply.

(2) Where the facts mentioned in clause (a) or clause (b) of the proviso to subsection (1) are proved with respect to any words, then,—

(a) for the purposes of any proceedings under section 57 if the trade mark consists solely of such words, the registration of the trade mark, so far as regards registration in respect of the article or substance in question or of any goods of the same description, or of the services or of any services of the same description, as the case requires, shall be deemed to be an entry wrongly remaining on the register;

(b) for the purposes of any other legal proceedings relating to the trade mark,—

(i) if the trade mark consists solely on such words, all rights of the proprietor under this Act or any other law to the use of the trade mark; or

(ii) if the trade mark contains such words and other matter, all such right of the proprietor to the use of such words,

in relation to the article or substance or to any goods of the same description, or to the service or to any services of the same description, as the case requires, shall be deemed to have ceased on the date on which the use mentioned in clause (a) of the proviso to sub-section (1) first became well known and established or at the expiration of the period of two years mentioned in clause (b) of the said proviso."

18. The word 'London' is disclaimed, says Mr. Tulzapurkar, and as to the word 'Dairy' it can never independently enjoy any protection. It is very much a common word. It is *publici juris*; of public right. No protection attaches to it. Even taken as a whole, he submits that this is not a mark that can ever claim protection. Again, this may be a submission that is extremely broad in its implications at this *prima facie* stage. I do not think it is necessary to go quite that far just yet. I think it is sufficient to accept that the Plaintiff's registration and rights are in any case restricted to the only goods on which it has used them, i.e., ice-cream, and, should it be able to show so, to others that are commonly linked with ice-cream (such as other ice-cream preparations of some kind or the other). I do not think, however, that this can be extended to every single item in Class 30. That would take within its sweep all manner of goods such as sugar confectionery, candies, biscuits, pasta, macaroni, noodles, baking powder, spaghetti, mayonnaise, vinegar, coffee, tea, rice, artificial coffee, bread, pastry and so on. The *Charminar* principle, if I might be permitted a coinage of my own, from *Vazir Sultan* must apply here.

19. Mr. Tulzapurkar then submits that as regards passing off, the Plaintiff had no reputation in India to speak of till 2010. There is nothing to indicate that it had so wide an international reputation that it could claim transborder protection. The Defendants' use commenced in April 2011, and the relevant date, therefore, is the date of the Defendants' adoption of their mark. The goodwill and reputation that the Plaintiff must show, to satisfy one of the three probanda of the 'classical trinity' in passing off law, must be between 2010 and the time of the Defendants' adoption of their mark. This, Mr. Tulzapurkar submits, the Plaintiffs are unable to do. There are no significant sales in 2011. Of the many invoices annexed to the Plaint, the ones that do show use of the mark are all in relation only to the ice-cream. Others do not show use of the mark at all. Passing off is an action in deceit, and the Plaintiff must show or demonstrate, at least *prima facie* for the present purposes, that the Defendants' use and adoption is calculated to deceive, such that purchasers of fifty paise boiled sweets in single serve sachets will imagine they are purchasing a product from the repertoire of a maker of expensive ice-cream. I do not think so.

20. Mr. Tulzapurkar, therefore, submits that what we have before us here is a case where there are a multitude of surrounding circumstances that must be considered and cannot be possibly be ignored:¹⁰ the packaging, the goods themselves, their price point, the distinct words and stylization and so on. There is yet another, to my mind, and that is everyday context. There may certainly be places that vend both; but those are not the *only* places one finds the Defendants' sweets. In a country where every empty urban

¹⁰ *Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmacuital Laboratories*, AIR 1965 SC 980

space is a business opportunity of some kind, the Defendants' sweet is the kind of thing that one finds sold by street corner vendors, pavement hawkers and so on. None of these are 'outlets' for the Plaintiff's products. No one purchasing a fifty paise sweet manufactured by the Defendants will ever be cast into a state of 'wonderment' about whether this confection has anything whatever to do with the Plaintiff's ice-cream.

21. Mr. Tulzapurkar then treats me to two separate compilations of authorities on infringement and passing off to establish that on neither cause of action has the Plaintiff made out a case for grant of an injunction. There can be no quarrel with the propositions that Mr. Tulzapurkar advances. The three cases of significance to which I would make reference are of course the Delhi High Court Division Bench judgments in *Marico Limited v Agro Tech Foods Limited*,¹¹ *Himalaya Drug Company v. SBL Limited*,¹² and *Bhole Baba Milk Food Industries Limited v Parul Food Specialities Private Limited*.¹³ The last of these is particularly interesting because there the Respondent in the Appeal had adopted a mark featuring Lord Krishna in relation to ghee and other dairy products. The Single Judge modified an ad-interim order. The Division Bench held that in this case even a deity can be uniquely associated with a particular product and that would not by itself make the product distinctive if it was otherwise descriptive. Again, on the question of passing off the decision of the Chancery Division in *Wolf and Son v Nopitsch & Others*¹⁴ is relevant because again this involved the use of two

¹¹ 2010 (44) PTC 736 (Del.) (DB)

¹² 2010 (43) PTC 739 (Del.)

¹³ 2011 (48) PTC 235 (Del.) (DB)

¹⁴ Vol. XVII, No. 12 RPC 323

words, one of which was related to the name of a country and the other described a type of pencil lead: 'Spanish Graphite'. The plaintiffs claiming an injunction in passing off failed. The Court held *inter alia* that the plaintiffs could not show that their use of the mark had become so distinctive that none other could use it. The Court looked at the evidence that was supplied and found that indeed there were others, including some who supplied goods to the plaintiffs themselves, describing these goods as 'Spanish graphite'. Mr. Tulzapurkar also refers to the decision of a Single Judge of this Court in *Faber-Castell Aktiengesellschaft v M/s. Pikpen Private Limited*.¹⁵ One of the questions before the Bobde J was about passing off and although an injunction was granted for other reasons, on the question of passing off in respect of the word 'TEXTLINER', he held that the word itself was not adapted to distinguish and was not even capable of distinguishing the goods of particular manufacturer from those of another. Mr. Tulzapurkar may be correct, after all, in saying that the words 'London Dairy' are inherently non-descriptive, a combination of a disclaimed word and a word *publici juris* to the extent that no exclusivity can attach to it at all, even for ice-cream. Certainly it cannot be extrapolated to a monopoly on all marks that merely sound similar but are used on entirely distinct and different products in wholly distinct packaging and with a different pricing.

22. I will assume, for the Plaintiff, that that the words "London Dairy", when used in relation to ice-cream, might connote the goods of the Plaintiff and the Plaintiff alone. But that is not what the Defendants do. That is not what they do at all. They do not

¹⁵ 2003 (4) Mh.L.J. 264

vend or manufacture ice-cream. They vend nothing like it. They are manufacturing a good that falls in the same Class but is entirely distinguishable in every word and in every way except the phonetic. That is surely not enough. What of the visual similarity? The structural? The attendant circumstances? The lack of any meaningful reputation or goodwill? The want of demonstration of deceit or misrepresentation? The very many differences in colour, trade dress, the goods themselves and their pricing? Is a court to ignore all these only because of a phonetic similarity? No law says that all this must be ignored, or that a solitary test of pronunciation will suffice to defeat all else that weighs against.

23. It is only on the basis of this phonetic similarity — there is no other basis for this action at all — that the Plaintiffs have sought this injunction. I do not think that there is sufficient warrant for such an injunction.

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

(G. S. PATEL, J.)