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IN THE HIGH COURT OF DELHI AT NEW DELHI

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CS(OS) 796/2010 & I.A. No. 8984/2011

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Judgment dated 03.10.2011

M/S SOHAN LAL NEM CHAND JAIN Plaintiff
Through: Mr.Vijay Pal Dalmia, and Mr.Vikas Mishra,
Advocates

versus

TRIDENT GROUP & ORS Defendant
Through: Mr.Pinaki Mishra, Sr. Advocate with
Ms.Anushree Tripathi, Advs.

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

1. Whether the Reporters of local papers may be allowed to see the judgment? **YES**
2. To be referred to Reporter or not? **YES**
3. Whether the judgment should be reported in the Digest? **YES**

G.S.SISTANI, J. (ORAL)

I.A.Nos.5388/2010 (O 39 R 1 & 2), 6365/2010 (O 39 R4) and 13435/2010 (O 39 R4).

1. Plaintiff has filed the present suit for permanent injunction to restrain infringement, passing off, dilution, unfair trade competition, damages and mandatory injunction.
2. While issuing summons in the suit and notice in the application, this Court had restrained the defendants from manufacturing, selling, distributing the photocopier or stationery items under the brand name 'LOTUS' or any other deceptively similar trademark separately or in any other form.
3. Subsequently the defendant filed an application under Order XXXIX Rule 4 CPC for vacation of the interim order. The interim order was modified by a Division Bench of this Court by permitting the defendant to sell the existing stock. The Division Bench directed

this court to hear and dispose of the application under Order 39 Rules 1 & 2 CPC filed by the plaintiff and the application under Order 39 Rule 4 CPC filed by the defendant.

4. Both the applications have been heard together and are being disposed of by a common order.
5. The case of the plaintiff as set out in the plaint is that the plaintiff is a partnership firm registered under the Partnership Act, 1932. The plaintiff was incorporated in the year 1947 and since then is actively involved in manufacturing, processing and packaging all kinds of paper, stationery for school, office as well as paper for computer printers under the trade mark/name/brand name "LOTUS". The plaintiff, thus, claims to have established itself as India's best loved brand. The portfolio of the plaintiff includes high quality paper, stationery like note books, long books and drawing books amongst others. Plaintiff further claims that it has played a pivotal role in popularizing the mark LOTUS in relation to various types of paper products. On account of its long, continuous, extensive and uninterrupted user, plaintiff has acquired an enviable goodwill and reputation with respect to its products under the trade mark LOTUS.
6. Counsel for the plaintiff submits that over the years the plaintiff has earned an enviable reputation in the aforesaid business and has been supplying goods to its customers at competitive prices. The plaintiff is trading all around the country and the plaintiff's customers are not limited to stationery and general shops but they directly cater to schools and corporate organizations by undertaking

manufacturing of stationery as per their requirements. It is contended that the products of the plaintiff are available at all the leading organized retail chains under the trade mark “LOTUS” which is one of the highest selling brands of paper stationery in the country, solely for the reason of its superior quality, fine grade paper. It is contended that the plaintiff manufactures wide range of papers stationery products used by customers in schools, educational institutes as well as business organizations and offices. Products of the plaintiff include:

- School Stationery
- Copies
- Registers/ Long Book
- Drawing & Sketch Book
- Drawing Sheets & File
- Office Stationery
- Long Books
- Writings Pads
- Spiral Pads
- Paper for Computer printer
- Bill books, challan books, duplicate books etc.
- Flip charts
- Fax rolls

7. The above mentioned paper products are manufactured and sold under the trade mark of the plaintiff “LOTUS”. It is further submitted that the name “LOTUS” with the passage of time has become synonymous for quality, superiority and the latest designs.

8. Mr.Dalmia, learned counsel for the plaintiff submits that the products of the plaintiff are sold through its dealers and agents throughout India including Delhi as the plaintiff has developed a large and efficient distribution system covering 15 States of India, including Delhi, Haryana, Uttar Pradesh, Uttaranchal, Punjab, Rajasthan, H.P. & J&K and all major cities of Bihar, Assam, Chatisgarh. Plaintiff also has tie-ups with organized retail chains such as Pantaloon's Fair Price, BILT's P3 stores, Office 1 Super Stores and 99 General Stores. Leaned counsel also contends that the unmatched reputation of the plaintiff is evident from the sale figures of the plaintiff, which are given as under:

YEAR	SALES IN RUPEES
1990-91	2250898
1991-92	2619085
1992-93	3403059
1993-94	4910877
1994-95	6421409
1995-96	11142642
1996-97	15492110
1997-98	16426011
1998-99	23084237
1999-00	23808311
2000-01	26047036
2001-02	34632978
2002-03	44364273
2003-04	54314970
2004-05	56540862
2005-06	62603162
2006-07	67553521
2007-08	78341790
2008-09	101234044

9. Mr.Dalmia, next submits that plaintiff has spent a considerable sum of money on advertisement of its products under the trademark

“LOTUS”. The advertisement expenses of the plaintiff ranging from the year 2001 to 2009 are given below:

YEAR	AMOUNT
2000-01	401,844.20
2001-02	547,014.00
2002-03	281,072.00
2003-04	543,863.85
2004-05	235,787.00
2005-06	586,453.43
2006-07	225,529.00
2007-08	422,980.00
2008-09	808,405.00
TOTAL	4,052,948.48

10. It has been strongly urged before this court that the plaintiff is the prior user and lawful proprietor of the trademark “LOTUS” and owing to the extensive and uninterrupted user and dealer network throughout India since the year 1947 the mark “LOTUS” with respect to goods manufactured by the plaintiff has come to be associated with the plaintiff and none else. Plaintiff has not only registered its mark “LOTUS” which is prominent and distinctive of its products, the plaintiff has also been very vigilant with respect to its brand value which the plaintiff has created due to its long and uninterrupted user of over 62 years in the market.
11. Mr.Dalmia, also contends that the plaintiff adopted the trademark “LOTUS” for its goods at a time when no such similar mark was being used in relation to the goods under their mark and thus by its prior adoption, the plaintiff has acquired “proprietary rights” in the

same. The plaintiff applied for the trademarks as detailed below, which stand duly registered:

S.No.	TRADEMARK	REGISTRATION NO.	CLASS	STATUS
1.	LOTUS	226903	16	Registered
2.	LOTUS	1193412	16	Registered

12. Copies of certificates of registration dated 30.4.1965 and 21.4.2003 have been filed on record.
13. Counsel for the plaintiff also submits that the registration of the trademark of the plaintiff is valid and subsisting. Counsel next submits that in order to reach every nook and corner of the globe in relation to its product under the trademark "LOTUS" the plaintiff has obtained registration of its domain name www.lotusstationery.com in the year 2001 which is similar to its registered trademark "LOTUS". The plaintiff has, since the registration of its domain name, been actively advertising and marketing its products through its website.
14. The grievance of the plaintiff is that sometime in the month of April, 2010, during the course of its business, the plaintiff received a flyer announcing the introduction and launch of paper under the brand 'LOTUS'. On acquiring the knowledge of launch of its product under a similar / deceptively similar trademark 'LOTUS' and infringement of intellectual property rights, the plaintiff started enquiring about the details of the defendants. On further enquiries the plaintiff learnt that by a letter dated 19.03.2010 the defendants informed

the National Stock Exchange of India that they have launched their new copier paper under the brand 'LOTUS'. Plaintiff also found information regarding the launch of the defendants' copier paper from a website. Copy of which has been relied upon by the plaintiff and filed on record. Plaintiff also purchased a packet of A-4 size paper under the brand 'LOTUS' from the open market which had been produced by the defendant under the trademark 'LOTUS' which is similar/ deceptively similar to the trademark "LOTUS" of the plaintiff. It is submitted that defendants No.1 and 2 have with malafide intention and keeping in mind the potential of the plaintiff's trademark which is 62 years old and also knowing the enviable goodwill and reputation of the plaintiff in the market with regard to its products and knowing the acceptability and the respect commanded for their quality, have decided to make quick money by passing off stationery products under the same /deceptively similar trademark.

15. Mr.Dalmia strongly contends before this court that the defendants no.1 and 2 are misleading customers and general public by using the impugned trademark "LOTUS" which is not only resulting in infringement of the registered trademark of the plaintiff, but also passing off and an impression is being created in the mind of the trade and public that the copier paper of the defendants has some connection with the plaintiff whose products have a ready market. Learned counsel submits that the defendants have adopted the impugned trademark "LOTUS" dishonestly out of greed and with a

view to take advantage and trade upon the established goodwill, reputation, statutory, proprietary and common law rights of the plaintiff in the trade mark/ label "LOTUS". Leaned counsel also submits that the defendants impugned adoption and use have resulted in deception and confusion in the market and among the purchasing public who belong to all segments of society besides resulting in heavy financial losses to the plaintiff which are incapable of being assessed in monetary terms and the damage to goodwill of the plaintiff's brand which is more than 62 years old.

16. It is strongly urged that the plaintiff is the prior user, lawful proprietor and the legal owner of the trademark "LOTUS", besides that the plaintiff's mark LOTUS has by virtue of long, continuous and extensive use since the year 1947 acquired distinctiveness and the same is associated with the plaintiff alone. Counsel also submits that on account of prior, long, continuous and extensive use, the trademark of the plaintiff has acquired distinctiveness and the defendant cannot be permitted to pass off its goods/ products, as those of the plaintiff and dilute the distinctiveness of the said mark.
17. Mr.Dalmia next submits that misrepresentation of the defendant is apparent and is sufficient enough to deceive or confuse the public at large and the adoption of the trademark "LOTUS" by the defendant is a clear mala fide attempt to ride on the popularity of the plaintiff's trademark "LOTUS" with a view to gain more business and unjustly enrich themselves. In these circumstances the plaintiff submits that the defendants are jointly and severally liable for infringement of

trademark, passing off, acts of unfair competition and dilution. Learned counsel also submits that the acts of unfair competition are evident from the fact that the defendants are using the said trademark in order to unfairly compete with the plaintiff by using a trademark which is similar/ deceptively similar to the plaintiff's trademark for the same products and amongst the same trade channels and members of the public. Mr.Dalmia submits that by using the plaintiff's trademark defendants are making false representations to the members of the public that goods and products of the defendants have some affiliation or nexus with the plaintiff. Learned counsel submits that even in public interest the defendants should not be allowed to use the mark "LOTUS" or any other similar or deceptively similar mark so that there is no deception amongst public on account of misrepresentation. The acts of the defendants are also resulting in dilution, blurring and tarnishing the plaintiff's goodwill and reputation which has been established over a long period of time and by use of the mark 'LOTUS' by the defendant would result in erosion of the distinctiveness of the plaintiff's mark "LOTUS".

18. Mr.Dalmia also submits that the stand taken by the defendants that application for registration filed by them would show that along with the artistic figure the defendants have sought registration of the word LOTUS along with the word TRIDENT can be of no benefit to the defendants as in deciding a question with regard to similarity between the two marks, the marks have to be considered as a

whole and that the addition of a descriptive word or a pre-fix or suffix will not change the nature and name of the substantial trademark which is "LOTUS" in the present case. Counsel has relied upon **Amritdhara Pharmacy v. Satya Deo Gupta** AIR 1963 SC 449 and more particularly paragraphs 7 to 13, which are reproduced below:

"7. It will be noticed that the words used in the sections and relevant for our purpose are "likely to deceive or cause confusion." The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registerable by reason of clause (a) of s. 8, or sub-s. (1) of s. 10, as in this case. In such a case the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not likely to deceive or cause confusion. In cases in which the tribunal considers that there is doubt as to whether deception is likely, the application should be refused. A trade mark is likely to deceive or cause confusion by the resemblance to another already on the Register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market. In considering the matter, all the circumstances of the case must be considered. As was observed by Parker, J. in Pianotist Co.'s Application (1906) 23 R.P.C. 774 which was also a case of the comparison of two words -

"You must take the two words. You must Judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

For deceptive resemblance two important questions are : (1) who are the persons whom the resemblance must be likely

to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection. (See Kerly on Trade Marks, 8th edition, p. 400.)

8. Let us apply these tests to the facts of the case under our consideration. It is not disputed before us that the two names 'Amritdhara' and 'Lakshmandhara' are in use in respect of the same description of goods, namely, a medicinal preparation for the alleviation of various ailments. Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick alleviation of their suffering, both villagers and townsfolk, literate as well as illiterate. As we said in Corn Products Refining v. Shangrila Food Products Ltd. [1960]1SCR968, 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 names 'Amritdhara' and 'Lakshmandhara' is, in our opinion, likely to deceive or cause confusion. We must consider the overall similarity of the two composite words 'Amritdhara' and 'Lakshmandhara'. We do not think that the learned Judges of the High Court were right in saying that no Indian would mistake one for the other. An unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or even consider meanings of the composite words as 'current of nectar' or 'current of Lakshman'. He would go more by the overall structural and phonetic similarity and the nature of the medicine he has previously purchased, or has been told about, or about which has otherwise learnt and which he wants to purchase. Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a persons educated in the Hindi language would go by the etymological or ideological meaning and, see the difference between 'current of nectar' and 'current of Lakshman'. Current of Lakshman in a literal sense has no meaning to give it meaning one must further make the inference that the 'current or stream' is as pure and strong as Lakshman of the Ramayana. An ordinary Indian villager or townsmen will perhaps know Lakshman, the story of the Ramayana being familiar to him, but we doubt if he would etymologine to the extent of seeing the so called ideological difference between

'Amritdhara' and 'Lakshmandhara'. He would go more by the similarity of the two names in the context of the widely known medicinal preparation which he wants for his ailments.

9. We agree that the use of the word 'dhara' which literally means 'current or stream' is not by itself decisive of the matter. What we have to consider here is the overall similarity of the composite words, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same description. We are aware that the admission of a mark is not to be refused, because unusually stupid people, "fools or idiots", may be deceived. A critical comparison of the two names may disclose some points of difference, but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name. The trade mark is the whole thing - the whole word has to be considered. In the case of the application to register 'Erectiks' (opposed by the proprietors of the trade mark 'Erector') Farwell, J. said in *William Bailey (Birmingham) Ltd.'s Application* (1935) 52 R.P.C. 137 :

"I do not think it is right to take a part of the word and compare it with a part of the other word; one word must be considered as a whole and compared with the other word as a whole,..... I think it is a dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other work".

10. Nor do we think that the High Court was right in thinking that the appellant was claiming a monopoly in the common Hindi word 'dhara'. We do not think that is quite the position here. What the appellant is claiming is its right under s. 21 of the Act, the exclusive right to the use of its trade mark, and to oppose the registration of a trade mark which so nearly resembles its trade mark that it is likely to deceive or cause confusion.

11. A large number of decisions relating to the use of composite words, such as Night Cap and Red Cap, Limit and Summit, Rito and Lito, Notrate and Filtrate, etc. were, cited in the High Court. Some more have been cited before us. Such decisions, examples of deceptive resemblance arising out of contrasted words, have been summarised at page 429 to 434 in *Karly on Trade Marks*, 8th Edition. No useful

purpose will be served by referring to them all. As we have said earlier, each case must be decided on its own facts. What degree of resemblance is necessary to deceive or cause confusion must be determined by the nature of the things to be defined a priori.

12. As to the decisions in annexure 'A', it has been argued before us that they were not at all admissible by reason of Sections 40 to 43 of the Indian Evidence Act, 1872. On behalf of the appellant it has been contended that they were admissible under s. 13 of the Evidence Act as showing the particular instances in which the appellant claimed its right under s. 21 of the Act. We consider it unnecessary to decide this question for the purposes of this case because those decisions even if they are admissible under s. 13 do not throw any light on the question whether 'Amritdhara' and 'Lakshmandhara' so nearly resemble each other as to cause deception or confusion. That is a question which we must determine as a case of first impression and irrespective of the earlier decisions.

13. On a consideration of all the circumstances, we have come to the conclusion that the overall similarity between the two names in respect of the same description of goods was likely to cause deception or confusion within the meaning of s. 10(1) of the Act and Registrar was right in the view he expressed. The High Court was in error taking a contrary view."

19. It is also submitted that the question whether the mark is similar and/ or deceptively similar has to be considered from the point of view of a common man of average intelligence and imperfect recollection, and therefore, to such a man the average structural and phonetic similarities of the two names "LOTUS" as used by the plaintiff and the LOTUS premium copier paper and the artistic figure of LOTUS by trident and artistic figure as used by the defendant is likely to deceive and cause confusion. It is thus contended that an unvarying purchaser of average intelligence would not split the name into its component parts and would go more by the overall

structural and phonetic similarity and the nature of product he has previously purchased or has been told about or about which he has otherwise learnt and which he wants to purchase. Counsel contends that the words cannot be dissected for considering as to whether or not the said word is visually and phonetically similar. It is submitted that it is more likely to create confusion in the mind of the customers as in the present case, the plaintiff and the defendants cater to same type of customers from same trade channels and counter of sale and deal in the same type of goods.

20. Learned counsel for the plaintiff has also relied upon **H.M. Saraiya & Ors. Vs. Ajanta India Ltd. & Anr.** 2006 (33) PTC volume 4 (BOMBAY) and more particularly paragraph 37 which reads as under:

37. Thereafter he has relied upon the judgment of the learned Single Judge of this Court in the case of Eagle Potteries Private Ltd. v. Eagle Flask Industries Pvt. Ltd. AIR 1993 Bom 185, particularly paras, 40 and 43 of the said judgment read as under:

"40. Mr. Daruwalla also relied upon the passage from Kerry's Law of Trade Marks and Trade Names, 12th Edition, paras 10-12 which is as under:

The test to be applied:

The test whether or not goods or services are "of the same description" would seem to be supplied by the question -- Are the two sets so commonly dealt in by the same trader that his customers, knowing his mark in connection with one set and seeing it used in relation to the other, would be likely to suppose that it was so used also to indicate that they were his? The matter should be looked at from a business and commercial point of view. As Viscount Dunedin said in the "Nuvol." "The material consideration arising in connection

with the registration of trade marks are practical." To the cases on this subject, the off-quoted proposition that each was decided on its own facts is peculiarly applicable and the observations below should be read with this in mind.

It would seem clear that, before goods or services can be of the same description, there must be a description that covers both, although this is not a sufficient test for a description may be too wide to be usable.

In "Panda" Romer, J. classified the various matters to be taken into account in deciding whether goods are goods of the same description into three classes-

- (a) the nature and composition of the goods;
- (b) the respective uses of the articles;
- (c) the trade channels through which the commodities respectively are bought and sold.

Mustard and semolina were not goods of the same description; although they were sold side by side in the same shops and both could be properly treated as articles of food, both being used in cooking, their real nature was different, "one falling under the description of a condiment and the other under the description of a cereal":

As between goods on the one hand and services on the other, the question is whether or not they are "associated"; and by statutory definition this is so if (and, it would seem, only if);

it is likely that those goods might be sold or otherwise traded in and those services might be provided" by the same business, and so with descriptions of goods and descriptions of services.

The first part of this definition is clear, the reference to "descriptions" of goods and services less so. Fortunately, the need to compare a description of goods with a description of services, as distinct from comparing particular items within those descriptions, should rarely if ever arise.

43. From the above authorities and the commentary, the following proposition emerges, i.e. each case has to be decided on its own particular facts. In all cases of this kind, nature and composition of goods, their respective uses and functions and trade channel through which they have been marketed and sold have to be considered. Depending on the goods in question, one or two of these characteristics may have greater significances or emphasis on the other. The matter must be considered in a business sense. Also it must be remembered that the said Act has been enacted to ensure that the registered proprietor of mark has a monopoly right to that mark. Sections [46](#) and [56](#) are part of the Legislation and are thus subject to the incident of this legislation. The question, therefore, whether or not goods are of the same description must necessarily be answered in the context of that purpose and the goods of the same description must not be given a restrictive construction. In any event the goods of the same description cannot be restricted to goods which are substantially analogous and must include goods which are commonly used as substitute or alternate for one another.

21. Counsel for the plaintiff also relied on **Parle Products (P) Ltd. Vs. J.P & Co.** AIR 1972 SC 1359, wherein the Supreme Court has observed as under:

“8. According to Karly’s Law of Trade Marks and Trade (9th edition paragraph 838):

Two marks, when placed side by side, may exhibit many and various differences yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Thus, for example, a mark may represent a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trademarked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general

impressions or by some significant detail than by any photographic recollection of the whole. Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with for reasons of their own.

9. It is therefore clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one, to accept the other if offered to him.....

..... **After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Homes.**

..... It is further submitted that the persons who would be deceived in the present case are, of course, the purchasers of the goods and it is the likelihood of their being deceived. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. It is pertinent to note that the purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendants."

22. Counsel for the plaintiff has also relied upon **Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd.** (2001) 5 SCC page 73, to draw the attention of the court to various factors which are to be considered in an action of passing off, and more particularly paragraph 42 in support of his submission, which is reproduced below:

"42. 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.”

23. Mr.Dalmia, learned counsel for the plaintiff relying on the submissions made and law laid down prays that the interim order dated 27.04.2010 be confirmed and the application filed by the defendant under Order 39 Rule 4 CPC be dismissed.

24. Mr.Pinaki Mishra, learned senior counsel for the defendants, submits that claim of the plaintiff is entirely frivolous, misconceived and deserves to be dismissed. Senior counsel further submits that the present suit has been filed by the plaintiff only to pressurize the defendants and in fact the interim injunction granted by this Court in favour of the plaintiff is liable to be dismissed on the following grounds:

- “a. The defendants have been using the mark LOTUS prior to the year 2006: the defendants thus have been using the mark for more than 5 years now;
- b. The plaintiff’s annual sales figures even by the plaintiffs own estimates as evident from the plaint is approximately Rs.10 crores, while the defendants annual sales figures is Rs.2500 crores; and the product under mark “LOTUS” has made business of

Rs.1,07,41,618.09 (Rupees One Crore, Seven Lakhs and Forty One Thousand) within a single month of its launch; it is thus clear that the defendants do not need to ride piggy-back on the alleged goodwill of the plaintiff;

- c. The annual turnover of the defendants is more than Rs.2500 crores;
- d. There are several other entities who have registration of the mark "LOTUS" in their favour in the same relevant class i.e. Class 16 of Schedule IV of the Trade Marks Act, 1999 ("**the Act**"); there is no exclusivity or monopoly over the mark "LOTUS" in favour of the plaintiff;
- e. There are several other users of the mark "LOTUS" for products including stationery as well as for papers; there is no exclusivity or monopoly over the mark "LOTUS" in favour of the plaintiff;
- f. The products of the plaintiff are entirely different as compared to the defendants' products and the plaintiff admittedly does not even manufacture copier papers and deals only in exercise books and notebooks;
- g. The target customer segment is totally distinct. While the plaintiff seems to be targeting students, the defendants' targets are photocopiers and cyclostyling shops and corporate houses; additionally the defendants products are premium products i.e. they are priced higher compared to similar products by other manufacturers in the relevant segment;
- h. The packaging of the defendants distinctly and prominently displays and carries the defendant groups logo and mark TRIDENT thus there cannot be any confusion about the source;
- i. There is absolutely no similarity between the plaintiff's packaging and the defendants' packaging.
- j. No monopoly can be claimed over the word "LOTUS", since it is a "common descriptive word" used in the industry. The reliance in this regard is placed on a computer generated public search report which has already been placed on record before this Hon'ble Court by the defendants."

25. Learned senior counsel for the defendants has strongly urged before

this Court that defendants are a Rs.2500/- crores industrial Group known as the Trident Group and carrying on business and have integrated manufacturing facilities for paper, yarn, textiles, chemicals, power generation, etc. Defendants have diversified and expanded manifold and have businesses spanning across 65 countries and have employed more than 10,000 persons and is one of the fastest growing companies in India. Senior counsel further submits that defendant no.2 is the flagship company of defendant no.1 Group, which is a global enterprise with an annual turnover of Rs.1800 crores, and is among the top five global terry towel giants of the world. Senior counsel next submits that defendant no.2 was incorporated in the year 1990 and is carrying on the business and has integrated manufacturing facilities for yarn, textiles, chemicals, power generation, etc. Defendant no.2 is one of the world's largest agro-based paper manufacturers and also largest yarn producers in India. Defendant no.2 has manufacturing facilities in India and also abroad. Defendants have been lauded continuously and are proud recipients of Best Supplier Quality Award for the years 2008-2009 by IKEA, Highest Global Exports- Bronze trophy by TEXPROCIL, ICSI National Award for Excellence in Corporate Governance in 2006; 'International Supplier of the Year' award for 2001, 2003, 2005 and 2006 by Wal-Mart, USA; 'Supplier of the Year Award' for 2006 by JC Penney Corporation and IKEA TASA; 'Best Supplier of the year' Quality Award, and many more.

26. Learned senior counsel for the defendants has drawn the attention

of the Court to the annual turnover of the defendants and the amounts spent towards business promotion, advertisement and endorsement of its goods and services since the year 1995, which have been reproduced in the written statement

27. Learned senior counsel for the defendants submits that defendants have an extensive business, which supplies and manufactures various products and the trade mark LOTUS has been adopted and used by defendant no.2 as a brand name for its textile products like Terry Towels (bath towel, hand towel, etc.). These products were launched in the beginning of the year 2008 and the total sales till the year ending 2009 were almost Rs.2.00 crores. Senior counsel further submits that defendants have been using the mark LOTUS for their various sister entities like M/s Lotus Infrabuild Limited, M/s Lotus Integrated Tex Park Limited and M/s Lotus Processors Private Limited and thus the defendants have been using the trade mark LOTUS well before the year 2006. Senior Counsel next contends that in continuation of the trade mark LOTUS that was already in use by the defendants, the defendants decided to launch a brand of copier paper product with the trade mark LOTUS well before the year 2008 and one of the group companies, M/s Madhuraj Foundation Limited, applied for trade mark registration of the mark LOTUS on 11.9.2008 under Class 16. Defendants launched their copier paper products formally on 18.3.2010 with the trade mark LOTUS. It is, thus, contended that defendants have been using the trade mark continuously and extensive and thus the adoption of the mark

LOTUS for copier was completely bona fide and honest and in furtherance of the mark being used for other products with regard to towels, textile goods, rugs, retails in home textile goods constructions and development of projects in textile sector, business management and copier paper.

28. Learned senior counsel for the defendants submits that by launching the LOTUS copier paper defendant no.2 has joined the league of companies offering products in the high-end and eco-friendly copier paper segment. Senior counsel further submits that defendant no.2 has set itself a target of achieving an incremental turnover of Rs.100/- crores in the current copier paper business in the next one year. Senior counsel also submits that the defendant has already taken aggressive measures to promote the impugned product and more than Rs.19,57,601.00 was incurred on the launch of the product on 18.3.2010 when there was wide coverage by the electronic and print media.
29. Learned senior counsel for the defendant contends that along with the impugned mark the group's other mark and logo i.e. Trident is also prominently displayed with the impugned mark. Learned senior counsel further contends that the impugned product has made a business of Rs.1,07,41,618.09 within one and a half months of sale.
30. Mr.Pinaki Mishra, learned senior counsel for the defendants, submits that the impugned product of defendant no.2 after its launch in 2010 immediately received public acclaim, which is evident from the sales figures. Learned senior counsel for the defendants has drawn

the attention of the Court to the fact that defendant no.2 along with its group companies have also applied to the Trade Mark Registry for registration of the trade mark LOTUS for the impugned product in its name and under Class 16 on 11.9.2008 and on subsequent dates. Eleven applications for registration of the trade mark LOTUS and ARTISTIC FIGURE in various Classes for different goods and services including copier paper in various Classes of Schedule 4 of the Act have been filed. Learned senior counsel for the defendants submits that the applications would show that along with the artistic figure the plaintiff has sought registration of the word LOTUS along with the word TRIDENT. Learned senior counsel further submits that plaintiff was well aware of the wide range of activities of the defendants as the plaintiff has been associated with the defendants for a long time and has been purchasing paper from the defendants for manufacturing of its exercise books and other paper based stationery.

31. Learned senior counsel for the defendants has laid stress on the fact that the plaintiff does not manufacture paper, however, it buys paper from defendant no.2 and thereafter makes its notebooks and other stationery items and, thus, the plaintiff having been associated with defendants is bound to have known about the usage of the mark LOTUS by the defendants for its various products and group companies. Plaintiff has clearly acquiesced the usage of the mark LOTUS by the defendants and, thus, at this stage plaintiff cannot claim that defendants cannot use the mark LOTUS.

32. It is contended by learned senior counsel for the defendants that defendants have been using the impugned mark since the year 2006 and have applied for registration of the same under various Classes of Schedule 4 of the Act and have also applied for registration under Class 16 of Schedule 4 in the year 2008. Senior counsel further contends that since the plaintiff has been dealing with the defendants, it ought to have known about the use of the impugned mark by the defendants. Senior counsel, thus, contends that acquiescence i.e. sitting by, when another is allegedly invading the rights and spending money on it, is a course of conduct inconsistent with the claim for exclusive rights in a trade mark. Elaborating his arguments further senior counsel contends that if the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiff would be stopped by their acquiescence. In support of this proposition, learned senior counsel for the defendants has relied upon ***Khoday Distilleries Ltd. v. Scotch Whisky Association***, reported at (2008) 10 SCC 723, more particularly paragraphs 46 and 47, which are reproduced below:

“46. This Court also in *M/s. Power Control Appliances and others v. Sumeet Research and Holdings*, [(1994) 2 SCC 448] held :-

26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White Sr. John Romilly* said: ‘It is important to distinguish mere negligence and acquiescence. Therefore, acquiescence

is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in *Mouson (J.G.) & Co. v. Boehm*. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill*."

47. The question again came up for consideration before this Court in *Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel and others*, [(2006) 8 SCC 726] wherein it was held :-

"103. Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allowing another to invade the rights and spending money on it; (ii) it is a course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc."

The delay by itself, however, may not be necessarily a ground for refusing to issue injunction. It was opined :

"106. The defence of acquiescence, thus, would be satisfied when the plaintiff assents to or lays by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief."

It was furthermore observed :-

"108. Specific knowledge on the part of the plaintiff and prejudice suffered by the defendant is also a relevant factor."

33. Learned senior counsel for the defendants submits that since the plaintiff was all along aware that defendants were using the impugned mark LOTUS with respect to other products, there is an inordinate delay in bringing an action for infringement of trade mark and, thus, the discretionary relief for injunction may be denied. In

support of his submission, learned senior counsel for the defendants has relied upon ***Allied Blenders and Distillers v. Paul John***, reported at 2008 (38) PTC 568 (Del), more particularly paras 1, 6 & 18, which are reproduced below:

“1. By a common order dated 11.7.2008, five applications, three applications filed in CS(OS) No.383/2007 and two applications filed in CS(OS) No.1058/2002 have been disposed of resulting in the appellant who was the plaintiff in both suits not being held entitled to any interim injunction against the respondents who were the defendants in the two suits. The result is that the respondents have been permitted to sell whisky under the trade-mark/trade-name „ORIGINAL CHOICE“. However, the respondents have been directed to maintain accounts in respect of the sales and make the sale available to the Court as and when so directed.

6. The learned Trial Judge has declined the interim injunction as prayed for by the appellant holding that the appellant was aware since 1995 that the defendant was marketing whisky under the trade-mark/trade-name “ORIGINAL CHOICE” and that delay and acquiescence being major considerations in an action for passing off, the case of the appellant was seriously dented. With respect to the quantum of sale of whisky effected by the respondents since 1996 it has been held that the same show that the respondents grew substantially and the appellant sat by watching the respondent grow in the market and hence was not entitled to the discretionary relief of injunction. The second reason given by the learned Trial Judge is that the labels used by the appellant and the respondents for sale of their product do not give the impression that the bottles and the labels of the respondents could be passed off as the bottle and label of the appellant.

18. We need not note the plethora of authorities on the issue whether acquiescence or an inordinate delay in bringing an action for injunction can non-suit the plaintiff. We note the latest the pronouncement on the issue by the Hon’ble Supreme Court being the decision reported as 2008 AIR SCW 4560 *Khoday India Ltd. Vs. Scotch Whisky Asson. & Ors.* It has been categorically held that where acquiescence is established or there is an inordinate delay in bringing an action for infringement of a trade-mark or passing off, the discretionary relief of injunction may be denied.”

34. Adding another aspect to his argument, Mr. Pinaki Mishra, learned senior counsel for the defendants, submits that the above facts would show that use of the impugned mark by the defendants is bona fide and honest. Defendants adopted the mark prior to 2006 and have been continuously using it as all the companies of the defendants with a trade mark LOTUS have been in business. The business of manufacturing terry towels alone brings a turnover of more than Rs.840 crores to defendant no.2 while it is not in dispute that copier paper was launched only in the year 2010.
35. Another argument, which has been raised by learned senior counsel for the defendants, is that defendants have been able to carve out special circumstances under Section 12 of the Act i.e. the defendants are using its trade mark LOTUS; the impugned product is not similar to the goods registered by the plaintiff in Clause 16 as the stationery used in schools and offices are different and distinct than the copier paper, which is the defendants' goods and are meant for cyclostyling and photocopying at shops and printers used in corporate houses. It, is, thus, contended that copier paper nowhere figures in the list of products sold by the plaintiffs and, thus, a registered trade mark holder cannot in law claim exclusive monopoly rights for its trade mark as extended to goods of all descriptions, falling within the same class in which its sole and solitary product falls. The defendants has relied on **Vishnudas Trading Vs. Vazir Sultan Tobacco Co. Ltd.** 1997 (4) SCC 201

and more particularly paragraphs 44, 46 & 47, which are reproduced below:

“44. The respondent Company got registration of its brand name "Charminar" under the broad classification 'manufactured tobacco.' So long such registration remains operative, the respondent Company is entitled to claim exclusive use of the said brand name in respect of articles made of tobacco coming under the said broad classification manufactured tobacco. Precisely for the said reason, when the appellant made application for registration of quiwam and zarda under the same brand name "Charminar", such prayer for registration was not allowed. The appellant, therefore, made application for rectification of the registration made in favour of the respondent Company so that the said registration is limited only in respect of the articles being manufactured and marketed by the respondent Company, namely, cigarettes. In our view, if a trader or manufacturer actually trades in or manufactures only one or some of the articles coming under a broad classification and such trader or manufacturer has no bonafide intention to trade in or manufacture other goods or articles which also fall under the said broad classification, such trader or manufacturer should not be permitted to enjoy monopoly in respect of all the articles which may come under such broad classification and by that process preclude the other traders or manufacturers to get registration of separate and distinct goods which may also be ground under the broad classification. If registration has been given generally in respect of all the articles coming under the broad classification and if it is established that the trader or manufacturer who get such registration had not intended to use any other article except the articles being used by such trader or manufacturer, the registration of such trader is liable to be rectified by limiting the ambit of registration and confining such registration to the specific article or articles which really concern the trader or manufacturer enjoying the registration made in his favour. In our view, if rectification in such circumstances is not allowed, the trader or manufacturer by virtue of earlier registration will be permitted to enjoy the mischief of trafficking in trade mark. Looking to the Scheme of the registration of trade mark as envisaged in the Trade Marks Act and the Rules framed there under, it appears to us that registration of a trade mark

cannot be held to be absolute, perpetual and invariable under all circumstances. Section [12](#) of the Trade Marks Act prohibits registration of identical or deceptively similar trade marks in respect of goods and description of goods which is identical or deceptively similar to the trade mark already registered. For prohibiting registration under Section [12\(1\)](#), goods in respect of which subsequent registration is sought for, must be (i) in respect of goods or description of goods being same or similar and covered by earlier registration and (ii) trade mark claimed for such goods must be same or deceptively claimed for such goods must be same or deceptively similar to the trade mark already registered. It may be noted here that under Sub-section (3) of Section [12](#) of Trade Marks Act, in an appropriate case of honest concurrent use and/or of other special circumstances, same and deceptively similar trade marks may be permitted to another by the Registrar, subject to such conditions as may deem just and proper to the Registrar. It is also to be noted that the expression "goods" and "description of the goods" appearing in Section [12\(1\)](#) of Trade Marks Act indicate that registration may be made in respect of one or more goods or of all goods conforming a general description. The Trade Marks Act has noted distinction between description of goods forming a genus and separate and distinctly identifiable goods under the genus in various other Sections e.g. goods of same description in Section [46](#), Section [12](#) and [34](#) and class of goods in Section [18](#). Rules 12 and 26 read with 4th Schedule to the Rules framed under the Act.

46. Since such registration initially had not been done, the rectification of the registration by limiting or confining the registration of trade mark of the Respondent Company to particular goods, namely, cigarettes, in the facts and circumstances of the case, cannot be held as illegal or justified.

47. It has already been indicated that the controversy in the instant appeals, is only confined to the propriety and validity of the order of rectification of the registration of trade mark made in favour of Respondent Company and it is not necessary to address on the questions of infringement of trade marks, passing off, defensive registration etc. In that view of the matter, various decisions cited at the bar dealing with the likely prejudice to be suffered by a trader or

manufacturer enjoying registration of trade mark in the event, similar or deceptively similar trade mark is allowed to other trader or manufacturer in respect of similar goods or goods marketed through common trade channel need not be taken into consideration for the disposal of these appeals. As in the facts and circumstances of the case, the rectification of the trade marks registered in favour of the respondent Company since allowed by the Assistant Registrar of Trade Marks was valid and also justified, such order in our view, should not have been interfered with in appeal. We, therefore, allow these appeals, set aside the impugned judgments of the High Court and restore the order of rectification passed by the Assistant Registrar of Trade Marks, Madras. By way of abundant caution, it is expressly made clear that we have not expressed any opinion on the claim of registration of the trade mark "Charminar" in favour of the appellant for quiwam and zarda being manufactured and traded by the appellant. In the facts of the case, there will however be no order as to costs."

36. Learned senior counsel for the defendants has relied upon **Osram Gesellschaft Mit Beschränkter Haftung v. Shyam Sunder and Ors.**, reported at 2002 (25) PTC 198 (Del), more particularly paras 11 and 13, which are reproduced below:

"11. As a matter of fact a registered trade mark holder cannot in law claim exclusive monopoly rights for its trade mark as extended to goods of all descriptions falling within the same class in which its sole and solitary product falls. If that is permitted then it would tantamount to preventing the other traders and manufacturers to get registered their distinctive articles which also fall under the same class of general classification. Appellant's trade mark in class 11 no doubt has been used on a large scale but for electric lamps only. But as already pointed out above the electric lamps by no stretch of imagination can be equated with room heaters, hot air circulators, domestic baking ovens, fans etc. nor these can fall in the same category of goods. Moreover, respondent's goods in class 11 are not marketed through a common trade channel. Those goods which the respondent wants to get registered in class 11 are marketed as distinct articles of use in different manner. In common trade channels such articles are not only held different and distinct articles but are marketed separately.

13. There is no quarrel with the proposition as urged by Mr. Navin Chawla that under Sub-rule (3) of Rule 26 an application for registration of the 'same' trade-mark in different classes shall be treated as separate and distinct application and the registration in respect of the goods included in each separate class shall be deemed to be a separate registration for all the purposes of the Act. No doubt each application. has to be dealt with and considered separately on its own merits. It is not to be influenced by the fact of registration of the trade mark in another class of goods. From the record we find that registration of respondent's application in class 11 was not solely on the ground that respondent was registered for his goods in class 9 and 7. This may have been one of the factor but not the sole ground. If respondent's trade mark in class 9 & 7 could be registered, it is difficult to apprehend why it could not be registered in respect of its goods in class 11 particularly when respondents goods are not deceptively similar or same. Hence on this count also we find no infirmity in the impugned orders."

37. Counsel for the defendants further submits that while in para 26 of the written statement it is not disputed by the defendants that plaintiff's trade mark in Clause 16 no doubt has been used on a large scale but for school and office stationery only, however, the stationery items are different groups and, thus, it cannot be equated with copier paper. It has also been faintly argued by learned senior counsel for the defendants that plaintiff has not approached this Court with clean hands and has given an impression to the Court while seeking interim injunction that defendants have tried to piggy back on the plaintiff's reputation as an established player in the market of stationery whereas plaintiff has been purchasing paper reels and paper rims from the defendants from the beginning of 2009.
38. Another submission made by learned senior counsel for the defendants is that there is no similarity between the products of the

plaintiff and the defendants including the packaging. Senior counsel further submits that a test of deceptive similarity has to be considered with reference to overall get up and to determine whether one mark is deceptively similar to other mark the broad and essential features of the two are to be considered. In support of his argument, learned senior counsel for the defendants has relied upon ***J.K. Oil Industries v. Adani Wilmar Limited***, CS(OS)No.13/2010.

39. To show that there is no similarity between the overall get up, learned senior counsel for the defendants submits that defendants' mark LOTUS and ARTISTIC FIGURES are composite mark, consisting of combination of different features like multiple words, distinctive shape, colour scheme, arrangement of artistic and literal elements in the mark and, thus, they are distinctive from the plaintiff's mark. It is strongly urged by learned senior counsel for the defendants that there is a prominent difference in the overall impression of the marks, besides defendants have taken sufficient care to mention the words 'Premium Copier Paper' and 'TRIDENT', making it clear that they are the goods of the defendant's industrial group to avoid any confusion about the source of product. It is also submitted by learned senior counsel that packaging of the defendants' copier paper has a different colour scheme, the word LOTUS is written in a different way, above the mark there is a multi coloured LOTUS and the logo of defendant no.1 'TRIDENT paper' is prominently and clearly displayed. Learned senior counsel for the defendants has

relied upon **Marico Ltd. v. Agro Tech. Ltd.**, FAO(OS) 352/2010, more particularly para 7, which is reproduced below:

“7. Merely because, the consumers and the trade channels are the same, it cannot be said that in the facts and circumstances of the case, there is a possibility of confusion, because there are more than enough differentiating features on the packaging so as to avoid any issue of the Respondent passing off its goods as that of the appellant..... Even though the two respective products of the parties are identical i.e. edible oil, it cannot be said to be that the Respondents are passing off their goods as that of the appellants.”

40. Learned senior counsel for the defendants next submits that the impugned marks concentrated upon by the defendants with regard to the sale of LOTUS is cyclostyling and photocopying shops and machines used in corporate houses, while plaintiff's market is day-to-day customers like students and small businessmen. Senior counsel next submits that plaintiff has described itself as one, who cater to customers not only limited to stationery and general shops but to schools also. Differentiation of two products is also sought on the ground that defendants' product is a premium product in its category i.e. 70-75 GSM, in the Delhi market and is priced at Rs.108 (at the wholesale rate, an addition of 5% to 7% may be made for retail prices) which is higher than other Copier paper products in the market and only third to the defendants' biggest competitors i.e. BILT Copy power (Rs.115) and JK Red (Rs.114). Counsel relies upon **Schering Corporation and Ors. v. Getwell Life Sciences India Pvt. Ltd.**, reported at 2008 (37) PTC 487 (Del) and more particularly paras 5, 8 and 9, wherein this Court while vacating the injunction order held that defendant's mark was not deceptively

similar to the mark of the plaintiff as the price ranges of the products are so distinct that no reasonable person would confuse with the product of the defendant as that of the plaintiffs and, therefore, there is no question of there being any possibility of deception and the defendant is not a fly-by-night operator and is an established concern. It is, thus, clear that defendants do not need to ride piggy-back on the alleged goodwill of the plaintiff.

41. Learned senior counsel for the defendants submits that there are various other players in the market using LOTUS and a search report obtained from the Registrar of Trade Marks has given a list of owners/manufacturers of the mark LOTUS for stationery. According to the defendants, the plaintiff has got its mark registered only on 21.4.2003 and prior to the plaintiff there were other players, who have got their mark registered. The plaintiff has also not raised any objection to the other users. The goods manufactured under the mark LOTUS and ARTISTIC FIGURE by the defendants are different from the goods in which the plaintiff deals. The law states that a registered trade mark holder cannot in law claim exclusive monopoly rights for its trade mark as extended to goods of all descriptions falling within the same class in which its sole and solitary product falls. Senior counsel further submits that this court has held that if that is permitted then it would tantamount to preventing the other traders and manufacturers to get registered their distinctive articles which also fall under the same class of general classification. In support of this submission learned senior

counsel relies upon ***Osram Gesellschaft Mit Beschränkter Haftung*** (supra).

42. Learned senior counsel for the defendants submits that there can be no monopoly over the use of the word LOTUS, which is not an invented word by the plaintiff and the word cannot be monopolized by any one person. Senior counsel in these circumstances prays that application of the defendants be allowed and interim injunction granted to the plaintiff be vacated.
43. I have heard counsel for the parties and perused the application and various documents placed on record. Arguments of the plaintiff can be summarized as under:
 - (i) Plaintiff was incorporated in the year 1947 and since then has been actively involved in manufacturing, processing and packaging all kinds of paper products;
 - (ii) Trade mark of the plaintiff's LOTUS is registered under Class 16 on 30.4.1965 and 21.4.2003 and, thus, plaintiff is entitled to exclusive trade use of the trade mark by virtue of statutory provisions mentioned in Section 28(i) of the Trade Marks Act;
 - (iii) Copier paper, stationery for schools, office, commercial use as well as paper used in computer printers under the trade mark LOTUS;
 - (iv) On account of its long continuous, extensive, uninterrupted user since the year 1947, plaintiff has

acquired enviable goodwill and reputation with respect to its products under the trade mark LOTUS;

- (v) Plaintiff manufactures a wide range of stationery products and sold under the trade mark LOTUS;
- (vi) Plaintiff has a large efficient distribution system;
- (vii) In order to reach every corner of the globe in relation to its products under the trade mark LOTUS plaintiff has got registered a domain name www.lotusstationery.com in the year 2001;
- (viii) Plaintiff is the first in the market, however, defendants launched its product only on 18.3.2010;
- (ix) While deciding the question of similarity between the two marks, the marks have to be considered as a whole;
- (x) Defendants have failed two tests of comparison between the two marks i.e phonetic and ocular comparison;
- (xi) Goods are identical, sale counter is same and there is every likelihood of confusion; and
- (xii) Adopting trade mark LOTUS by the defendants is malafide as defendants are well aware of the plaintiff's trade mark LOTUS and the turnover of the defendants is immaterial as under the Indian Constitution the plaintiff has every right to be treated with equality before the law.

44. The submissions of learned senior counsel for the defendants can be summarized as under:

- (i) Defendants are Rs.2500/- crores Industrial Group known as a Trident Group and it is amongst the top five global territorial giants of the world having business across 65 countries and have a very large turnover;
- (ii) Defendants have been using the mark LOTUS since the year 2006 for various sister entities and are also engaged in activities other than manufacture of copier paper with a trade mark LOTUS.
- (iii) Trade mark LOTUS has been adopted and used by defendant no.2 as a brand name for its textile products like terry towels, bath towels, hand towels under the brand name LOTUS from the year 2008;
- (iv) No similarity between the products of the plaintiff and the defendant including the packaging;
- (v) Plaintiff does not manufacture or sell copier paper;
- (vi) Plaintiff has been purchasing paper from defendant no.2 and was well aware of the use of the mark LOTUS for other products;
- (vii) Impugned marks concentrated upon by the defendants with regard to the sale of LOTUS is cyclostyling and photocopying shops and machines used in corporate houses, while plaintiff's market is day-to-day customers like students and small businessmen;
- (viii) Quality of product is different;

- (ix) Test of deceptive similarity has to be considered with reference to overall get up and to determine whether one mark is deceptively similar to other mark the broad and essential features of the two are to be considered;
- (x) Other players in the market using LOTUS;
- (xi) Defendants are entitled to sell different products with the same trade mark under the same class;
- (xii) Association with the defendants, this led to acquiescence on the part of the plaintiff; *and*
- (xiii) Defendants have been using the trade mark continuously and extensively and thus the adoption of the mark LOTUS for copier was completely bona fide and honest.

45. The short question, which arises for consideration before this Court is that whether defendants are entitled to use the registered trade mark of the plaintiff LOTUS (Registered in Class 16) with respect to stationery items pertaining to photocopier paper and whether the same constitutes infringement of plaintiff's trade mark with respect to its paper products. It would be useful to reproduce Sections 28 and 29 of the Trade Marks Act:

28. Rights conferred by registration

1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

29. Infringement of registered trade marks

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he—

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising—

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed

by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

46. The plaintiff has placed copies of certificates of registration of its trade mark LOTUS dated 21.4.2003 and 30.4.1965 in Class 16. Plaintiff has also claimed user of its trade mark LOTUS since 1.1.1965. While registration dated 30.4.1965 pertains to exercise books, registration dated 21.4.2003 in Class 16 pertains to printing material, books, magazines, trade journals, ledgers, writing material, stationery, pens, carbon paper, file, envelopes, visiting cards, teaching material, blotters, booklets, bookmarkers maps, drawing boards, drawing instruments, drawing materials, folders, forms, glue, gums, hand books, indexes, inking pads, labels, loose-leaf binders, note book, writing pads, paper, paper weights, pen cases, pen clips, pencil holders, tracing cloth, writing cases being goods included in Class 16.
47. Random bills including bills pertaining to sale of LOTUS Computer paper and photocopier paper pertaining to the year 2004 have been placed on record showing sales of various products of the plaintiff with the trade mark LOTUS. Having regard to the aforesaid documents it leaves no room for doubt that plaintiff is the registered proprietor of the trade mark LOTUS in relation to goods mentioned in Class 16, which are stationery products.
48. The certificate of registration dated 30.1.1965 as also copy of the trade mark journal show that the user has been claimed by the plaintiff since 1.1.1965. Copies of the bills placed on record pertain

to the year 2004 onwards. The plaintiff has extracted its sales figures from the year 1990 onwards and also the expenses incurred for advertisements of its goods from the year 2000 onwards. As per the plaint, in the month of April, 2010, the plaintiff learnt that defendants had introduced and launched a product, being Premium Copier Paper, and by a letter dated 19.3.2010 defendants informed National Stock Exchange of India that they had launched their new computer paper under the brand LOTUS. As per the defendants, they have been manufacturing various products and have adopted and used LOTUS as their brand name for its textile products like Terry Towels (bath towel, hand towel, etc.), which was launched in the beginning of the year 2008. Defendants claim that they have also been using the mark LOTUS since the year 2006 for various sister entities like M/s Lotus Infrabuild Ltd. (incorporated in the year 2007), M/s Lotus Integrated Tex Park Ltd. (incorporated in the year 2006 engaged in developing infrastructure for textile activities) and M/s Lotus Processors Private Limited (incorporated on 8.12.2008) and engaged in textile manufacturing. The stand taken in the written statement by the defendants is that they decided to launch copier paper with the trade mark LOTUS in the year 2008 when they applied for registration of trade mark LOTUS on 11.9.2008 under Class 16 and they formally launched their copier paper on 18.3.2010 with the trade mark LOTUS.

49. Taking into consideration the documents placed on record by the plaintiffs and the stand taken by the defendants in the written

statement it is clear that although the word LOTUS has been adopted and used by them as a brand name for textile products the word LOTUS has been used by their sister entities from the year 2006 onwards. The defendants admittedly launched its copier paper, subject matter of the present suit only in the year 2010. Having regard to the stand taken by the defendants itself, it can safely be said that plaintiff is decidedly a prior user of the trade mark LOTUS with respect to stationery items mentioned in Class 16 much prior in time than the defendants.

50. The highlight of the argument of learned counsel for the defendants is that defendants are Rs.2500 crores industrial group known as 'TRIDENT Group' carrying on the business of textile, chemicals, power generation, etc. In the year 2010, the business was diversified into manufacturing of paper under the name LOTUS. Defendants have been recipient of various awards. Large amounts have been spent on business promotion, advertisement, endorsement and, thus, they are large player and carrying on their businesses under the name LOTUS. Companies were incorporated in the year 2006, 2007 and 2008 and, thus, by adopting the name LOTUS for its copier paper is deemed to be an honest and bona fide use and plaintiff has clearly acquiesced usage of the mark LOTUS by the defendants. I find no force in the submission made by learned counsel for the defendants in view of the fact that

prior to 2010 the nature of business of the defendants was completely different and defendants were manufacturing and dealing with towels, textile goods, rugs, retails and home textile goods construction and development of products in textile sector. The nature of business of the defendants prior to 2010 was not even remotely connected with the goods mentioned in Class 16 nor the plaintiff has claimed any relief against the defendants with regard to use of the word LOTUS pertaining to other businesses of the defendants.

51. The case of ***Khoday Distilleries Ltd.*** (supra) ***and Allied Blenders and Distillers*** (supra) relied upon by learned counsel for the defendants are not applicable to the facts of this case in view of the fact that in the years 2006, 2007 and 2008 defendants were not dealing with stationery items and since no relief has been claimed by the plaintiff against the defendants for use of the word LOTUS with regard to other businesses of the defendants it cannot be said that plaintiff was sitting by when defendants were invading the rights and spending money on it. Admittedly, the defendants launched its copier paper in the year 2010 and without any loss of time plaintiff instituted the present suit to safeguard its interests.
52. Mr. Pinaki Mishra has labored hard to convince this Court that photocopier paper and computer paper is a different and distinct product than the products being sold by the plaintiff and the forte of the plaintiff are note books and exercise

books. It is thus contended that the plaintiff cannot in law claim monopoly rights over his trade mark LOTUS. In support of his submission learned senior counsel for the defendants has relied upon **Osram Gessellschaft** (supra) and **Shell Brands International v. Pradeep Jain**, CS(OS) 639/2008 decided on 1.2.2010.

53. Facts in the case of **Osram Gessellschaft** (supra) and **Shell Brands International** (supra) are not applicable to the facts of the present case. In the case of **Osram Gessellschaft** (supra) the Supreme Court has observed that *“as a matter of fact a registered trade mark holder cannot in law claim exclusive monopoly rights for its trade mark as extended to goods of all descriptions falling within the same class in which its sole and solitary products falls.”* This observation was made in the light of the fact that applicant was using the mark only for electric lamps, while the respondent was using the same mark for room heaters, hot air circulators, domestic baking ovens, fans, etc. The Supreme Court has also observed that the goods do not fall in the same category of goods. Similarly the facts of **Shell Brands International** (supra) would not be applicable to the facts of the present case as the plaintiff in the said case claimed monopoly over the word Shell with regard to petroleum products whereas the defendant was dealing in textile

products. In the present case the defendants are trying to draw out a fine distinction between the paper product itself which the defendants cannot be permitted to do so as firstly the plaintiff is also dealing with copier paper and secondly the mark being identical. Another important aspect which cannot be ignored is that the goods are common, sold over a common counter, sale challans are likely to be the same as they would be sold by the shops, it is common knowledge that copier paper is not only used for photocopies but also used in offices for computer print outs.

54. Mr. Pinaki Mishra has also submitted that initially in the year 1965 registration was sought by the plaintiff. for exercise books alone and subsequently in the year 2003 registration was sought for other stationery products, which does not include copier paper and, thus, no case is made out by the plaintiff against the defendants for infringement of trade mark. This submission of learned senior counsel for the defendants is liable to be rejected as learned senior counsel has been unable to show that copier paper does not fall in Class 16 or that copier paper cannot be considered as an allied or cognate goods. The argument is also not convincing that the paper manufactured by the defendants is not sold at the same counter where the goods of the plaintiff are sold.

55. Learned senior counsel for the defendants has also submitted that trade dress of the packaging of the two products is completely different and also the defendants have described its product as LOTUS Premium Copier Paper and TRIDENT, the artistic figures, the multiple words, distinctive shape, colour scheme, arrangement of artistic and literal elements in the mark are thus distinctive from the plaintiff's mark. This submission of learned senior counsel for the defendants is to be rejected as in deciding the question with regard to similarity between the two marks, the marks have to be considered as a whole as the addition of descriptive word or a prefix or suffix will not change the nature or the name of substantial trade mark, which is LOTUS. It was observed by Parker, J. in Pianotist Co.'s Application (1906) 23 R.P.C. 774 which was also a case of the comparison of two words -

"You must take the two words. You must Judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

56. The observations made by the Supreme Court of India in the case of **Amritdhara Pharmacy** (supra) are fully applicable to the facts of this case. It may be recalled that in the case of **Amritdhara Pharmacy** the trade marks, being Amritdhara and Lakshmandhara, were not identical. In the said case, it was held that the names nearly resemble each other and is likely to cause deception or

confusion in the minds of unwary purchaser of average intelligence or imperfect recollection.

57. In the case of **Amritdhara Pharmacy** (supra) the Supreme Court while relying upon Corn Products Refining v. Shangrila Food Products Ltd., reported at [1960] 1 SCR 968 held that “*the question has to be approached from the point of view of a man of average intelligence and imperfect recollection*”.
58. In the case of **Cadila Health Care Ltd.** (supra) the Court had culled out broad principles while deciding the question of deceptive similarity. It has been observed that the court must consider the nature of mark, degree of resemblance between the marks, phonetical similarity, nature of goods, class of purchasers, mode of purchase, all of which are fully applicable to the facts of this case as the mark in the present case is identical, nature of goods are identical, the goods would be sold at a common counter, the class of purchasers would be such who would be easily misled by the identical trade mark irrespective of difference of price between the products of the plaintiff and the product of the defendants.
59. In view of afore mentioned facts and circumstances it is abundantly clear that trade mark of the plaintiff LOTUS has acquired unique goodwill and reputation and it has become a well known trade mark within the meaning of Section 2(zg) of the Trade Marks Act, 1999, and even assuming that copier paper is in any way different from other stationery products

the plaintiff is entitled to protection in relation to dissimilar goods under Section 29(4) of the Trade Marks Act as far as infringement of trade marks is concerned. Thus, *prima facie*, the plaintiff has been able to make out a strong case of infringement of trade mark.

60. Once the Court comes to the conclusion that it is a fit case of infringement of trade mark by the defendant then the question of some delay is immaterial on account of statutory rights granted under Section 28 of Trade Marks Act in favour of the plaintiff.

61. In the case of ***Swaran Singh Trading v. Usha Industries (India), New Delhi and another***, reported at AIR 1986 Delhi 343, in para 7 it has been held by a Division Bench of this Court as under:

“(7) There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be a ground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity. The principles governing other types of injunctions are not to be readily

applied to a case like the present. Of course, if it was a case of a similar mark as opposed to the same mark, the concurrent user coupled with delay might be a ground for refusing an injunction. However, when the same mark is being used, in a sense, the public is deceived into purchasing the defendant's goods on the belief that they are the plaintiff's goods, so a registered trade mark is a casualty, it is the duty of the Court to protect the registered mark. That is the whole concept of registration. So, we cannot refuse an injunction even if there is some delay especially when the mark is the same. To refuse the injunction would tantamount to permit a fraud being practiced on unwary customers. This is a matter of principle on which the Court cannot refuse the injunction."

62. Similar question has also been dealt with by this Court in the case of ***M/s Hindustan Pencils Pvt. Ltd. v. M/s India Stationery Products Co. and Another***, reported at AIR 1990 Delhi 19 in para 31, which reads as under:

31. Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. The defense of laches or inordinate delay is a defense in equity. Inequity both the parties must come to the Court with clean hands. An equitable defense can be put up by a party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot clarify the continued misuse of the usurped right. It was observed by Romer, J. in the matter of an application brought by J. R. Parkinson and Co. Ltd., (1946) 63 RPC 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the

learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history. In other words, the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that, there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years. Dealing with this aspect Harry D. Nims in his "The Law of Unfair Competition and Trade Marks", Fourth Edition, Volume Two at page 1282 noted as follows:

"Where infringement is deliberate and willful and the defendant acts fraudulently with knowledge that he is violating plaintiff's rights, essential elements of estoppels are lacking and in such a case the protection of plaintiff's rights by injunctive relief never is properly denied. "The doctrine of estoppels can only be invoked to promote fair dealings"."

63. For the aforestated reasons and settled position of law there is no force in the submission of learned counsel for the defendant that there is any delay.
64. By the present order the Court is merely restraining the defendants from infringing the trade mark of the plaintiff by taking a *prima facie* view of the matter, however, defendants are entitled to carry on their business under different trade marks. The decisions referred to by the defendants are entirely

on their own facts, which are materially different to the present case, thus, the same are not applicable.

65. In the case at hand this Court cannot lose track of the fact that the nature of goods are such and the trade channel through which they would be sold and marketed would be identical.
66. Another argument has been raised by learned senior counsel for the defendants that the word LOTUS is a dictionary word and a word used in common parlance in English language. This argument raised by learned senior counsel for the defendants would be self-defeating in view of the fact that even the defendants had applied for registration of the trade mark LOTUS and even otherwise taking into consideration the long and interrupted user of the mark LOTUS by the plaintiff since the year 1965 and the plaintiff having successfully protected its mark would lead to the conclusion that it is a well known trade mark within the meaning of Section 2(1) (zg) of the Trade Marks Act and the present case would be fully covered under Section 29 of the Act.
67. Another submission has been made by learned senior counsel for the defendants that there are many trade marks containing the word LOTUS for which the plaintiff is claiming monopoly rights. This submission of learned senior counsel for the defendants is without any merit as the defendants have failed to produce any evidence on actual user of the said trade mark by the alleged users, nature of products and what is the goodwill and reputation of the said mark. Similar defence was raised and rejected in the case **Century**

Traders (supra), **Corn Products Refining** (supra) and **Pankaj Goel v. Dabur India Ltd.**, reported at 2008 (38) PTC 49 (Del.).

68. Counsel for the plaintiff has relied upon **Tata Iron & Steel Co. Ltd. Vs. Mahavir Steel & Ors.** 47 (1992) DLT 412 and more particularly relevant portion of para 15, which is reproduced below:

“15.....Their pleadings say nothing except citing the example of few others who are also similarly using trade names having suffix 'ISCO' in conjunction with one letter prefix in connection with their goods. An imitation remains an imitation whether it is done by one or by many. It acquires no legitimacy. A wrong is not righted by the following it musters. Infringement of trade mark by a trader cannot be justified on the ground that there are others like him who are doing the same. There is a growing tendency to copy the trade marks to cash upon some one else's business reputation. The pirates of trade marks are like parasites clinging to others for their growth. Imitators of trade-marks have the sole object of diverting the business of others. This tendency must be curbed in the interest of the trade and the consumers.”

69. Counsel for the plaintiff has also relied upon **Ozone Spa Pvt. Ltd. Vs. Ozone Club** 2010 (42) TPC 469 (Delhi) and more particularly para 28, which is reproduced below:

“28. The other objection raised by the defendant is that "Ozone" is a generic name and no one can have exclusive rights over the same and the plaintiff is also not the proprietor of the mark Ozone?. The said argument is a self defeating argument. Firstly, the mark "Ozone" is a registered trade mark in favour of the plaintiff and secondly the defendant himself has applied for registration of the trade mark "Ozone" in class 41 in relation to the services as that of the plaintiff. It does not lie in the mouth of the defendant to contend now that the mark is a generic mark, in fact the defendant is debarred from raising such a plea in view of his own conduct. The said contention is totally misconceived. In the case of Automatic Electric Limited v. R.K. Dhawan and Anr. 1999 (19) PTC 81 in para 16, the learned Single Judge of this Court has observed that the defendant had 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", it does not lie in their mouth to say that the word "DIMMER" is a generic expression. User of the word "DIMMER" by others cannot be a defence available to the defendants, if it could be shown that the same is being used in violation of the statutory right of the plaintiff."

70. Counsel for the plaintiff has also relied upon **Century Traders Vs. Roshan Lal Duggar & Co.** AIR 1978 DELHI 250 and more particularly paragraphs 13 & 14, which are reproduced below:

"13. The Supreme Court in Corn Products Refining Co. v. Shangrila Food Products Ltd., [1960]1SCR968 laid down the rule vis-a-vis user of a mark as opposed to registration of mark. It observed that the onus of proving user is on the person who claims it. It did not approve of looking into the register of trade marks where a mark may be entered to be any proof of user. To quote from the speech of A.K. Sarkar, J. : "Now, of course, the presence of a mark in the register does not prove its user at all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the presence of marks in the register.

14. Thus, the law is pretty well-settled that in order to succeed at this stage the appellant had to establish user of the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade marks. In our opinion, these clear rules of law were not kept in view by the learned Single Judge and led him to commit an error."

71. In the case of ***Express Bottlers Services Pvt. Ltd. v. Pepsi Inc. and Ors.***, reported at 1989 (7) PTC 14, the Supreme Court has held under:

... To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no

evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks. The mere use of the name is irrelevant because a registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence. Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This court is inclined to accept the submissions of the respondent No. 1 on this point. The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers...

52. A mere filing of the search report from the trademarks office does not prove as to whether the marks mentioned in the search report have actually been used or not. It is necessary for the party who relies upon the marks of third party to produce cogent and clear evidence of user in order to prove the defence of "common marks to the trade" on the basis of the third party user. Hence, in the absence of valid and cogent evidence, the submission of the defendants cannot be accepted.

72. In the light of the settled position, the submission of learned counsel for the defendants has no force.

73. Mr. Mishra has also labored very hard to convince this Court that the quality of defendants' product, its marketing and sale figures would show that they do not need to ride over the goodwill and reputation of the plaintiff. In comparison to the long, continuous and uninterrupted user of the plaintiff since the year 1965, the sale figures of the defendants howsoever impressive they may be cannot be a ground to refuse the injunction to the plaintiff. The big fish cannot be allowed to eat the small fish. The defendants cannot be permitted to dilute the trade mark of the plaintiff merely because it is stated that defendants has a large network and has obtained

various export orders. As per the own showing of defendants, the plaintiff has been buying paper from the defendants. The defendants were well aware that plaintiff is the registered proprietor of the trade mark LOTUS. It cannot be said that the user of the word LOTUS by the defendants for copier paper is bona fide and honest. On registration of a trade mark the proprietor gets the exclusive right to use such trade mark in relation to the goods in respect of which the trade mark is registered under Section 28 of the Act and the applicant is entitled to obtain relief in respect of any infringement of such trade mark (***National Bell Co. and Anr. v. Metal Goods MFG CO.(P) Ltd. & Anr.***, reported at AIR 1971 Supreme Court 898).

74. Accordingly, the right of the plaintiff is to be protected and the plaintiff is entitled to injunction. In view of this I.A.No.5388/2010 is allowed. Interim order dated 27.4.2010 is confirmed. I.A.Nos.6365/2010 and 13435/2010 are dismissed.
75. Needless to say that any observations made in this order are only for the purpose of deciding this application and the same would have no bearing on the merits of the matter.

CS(OS) 796/2010 & 8984/2011

76. As prayed, list the matter before Joint Registrar for admission/denial of documents on 21.12.2011.
77. List the matter before Court for framing of issues on 17.1.2012.

G.S. SISTANI, J.

OCTOBER 03, 2011
msr/ssn