IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

MONDAY, THE 4TH DAY OF DECEMBER 2017

THE HON'BLE DR. JUSTICE ANITA SUMANTH

A. Nos.3311 to 3313 of 2017

and

O.A. Nos.557 to 559 of 2017

in

C.S. No.410 of 2017

VP Petro6 Engineers and Consultants Pvt.Ltd
3rd Floor, Module 34,
ELNET Software City,
Rajiv Gandhi Salai(OMR)
Taramani, Chennai 600 113
Represented by its Director
Mr.A.G.Ravindran ... Applicant/Plaintiff
(in O.A. Nos.557 to 559 of 2017)

-Versus-

1. A.Duraisamy,
   Trading as PETRO 6 E&C,
   H4, Block III, Ramaniyam Shivani Apts
   No.40, East Coast Road,
   Thiruvanmiyur, Chennai 600 041.

2. A.Duraisamy,
   Block 4, C4 Appasamy Springs Apartments
   AIBEA Nagar, 1st Main Road,
   Thiruvanmiyur, Chennai 600 041

3. Vijayalakshmi Duraisamy,
No.6/102E, C.S.Puram,
Rasipuram Taluk,
Namakkal District
Tamil Nadu 637 401
and also at
Block 4, Appasamy Springs Apartment,
AIBEA Nagar, 1st Main Road,
Thiruvanmiyur, Chennai 600 041

4. Petro6 Engineering & Construction Pvt.Ltd
TVH Agnitio Park, 2nd Floor,
No.141, Rajiv Gandhi Salai,
Kandanchavady, Chennai 600 096
represented by its Director
Arappan Duraisamy

5. Petro6 Engineering & Construction (Singapore)Ptd Ltd
#06-31, Unity Centre
51, Bukit Batok Crescent
Singapore 658 007

6. Petro6 Engineering and Construction(Myanmar) Pvt.Ltd
No.405, Building No.25
Yazana Business Centre, Dhamazedi Road,
Sanchaung Township, Yangon,
Myanmar, represented by its Managing Director
Arappan Duraisamy ... Respondents/Defendants

(in O.A. Nos.557 to 559 of 2017)

O.A. No.557 of 2017:-

Original Application praying that this Hon'ble Court be pleased to grant an order of ad-interim injunction restraining the Respondents/Defendants, their directors, partners, their employees, officers, servants, agents and all others acting for and on their behalf from making, selling, exporting, distributing, advertising exporting, offering for sale, and in any other manner, directly or indirectly, dealing in any products or rendering any services including all use as part of its signage, business cards labels, promotional materials, advertisements, domain name/s, company name/s, URLs, e-mail addresses, screen names, user names website contents(whether or not visible), staff uniforms, transportation vehicles, documents, reports, data, invoices, receipts, stationery, and on any other materials and things using the trademark/ trade name PETRO6 ENGINEERING & CONSTRUCTION, PETRO6 E&C, or any other similar marks amounting to an infringement of the Applicant's/Plaintiffs registered trade mark PETRO6 under No.2102162 in classes 06,07,35,37 and 42.

O.A. No.558 of 2017:-

Original Application praying that this Hon'ble Court be pleased to grant an order of ad-interim injunction restraining the Respondents/Defendants, their directors, partners, their officers, employees, servants and agents, from manufacturing, selling, exporting, offering for sale, advertising and directly or indirectly dealing in any products or rendering any services including all use as part of its signage, business cards, labels, promotional materials, advertisements, domain name/s, company name/s, URLs, e-mail addresses, screen names, user names, website contents(whether or not visible), staff uniforms, transportation vehicles, documents, reports, data, invoices, receipts, stationery, and on any other materials and things using the trademark/trade name PETRO6 ENGINEERING AND CONSTRUCTION, PETRO6 E&C, or any other similar marks amounting to passing off of the products and services of the Applicants/Defendants as and for that of the Plaintiff's mark PETRO6.

O.A. No.559 of 2017:-

Original Application praying that this Hon'ble Court be pleased to grant an order of an ad-interim injunction restraining the Respondents/Defendants, their directors, partners, employees, officers, servants, agents and all others acting for and on their behalf from making, selling, distributing, advertising, exporting, offering for sale, and in any other manner, directly or indirectly, dealing in any products or rendering any services including all use as part of its signage, business cards labels, promotional materials advertisements, domain name/s company name/s URLs, e-mail addresses, screen names, user names, website contents (whether or not visible), staff uniforms, transportation vehicles, documents, reports, data, invoices, receipts, stationery, and on any other materials and things using the trademark/trade name

or any other similar mark amounting to an infringement of the plaintiffs copy right in

A. Nos.3311 to 3313 of 2017:-

1. A.Duraisamy,
   Trading as PETRO 6 E&C,
   H4, Block III,
   Ramaniyam Shivani Apts
   No.40, East Coast Road,
   Thiruvanmiyur, Chennai 600 041.
2. A.Duraisamy,
   Block 4, C4 Appasamy Springs Apartments
   AIBEA Nagar, 1st Main Road,
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3. Petro6 Engineering & Construction Pvt.Ltd
   TVH Agnitio Park, 2nd Floor,
   No.141, Rajiv Gandhi Salai,
   Kandanchavady, Chennai 600 096
   represented by its Director
   Arappan Duraisamy ... Applicants/Defendants

-Versus-

1. VP Petro6 Engineers and Consultants Pvt.Ltd
   3rd Floor, Module 34,
   ELNET Software City,
   Rajiv Gandhi Salai(OMR)
   Taramani, Chennai 600 113
   Represented by its Director
   Mr.A.G.Ravindran... 1st Respondent/Applicant/Plaintiff

2. Vijayalakshmi Duraisamy,
   No.6/102E, C.S.Puram,
   Rasipuram Taluk,
   Namakkal District
   Tamil Nadu 637 401
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No.405, Building No.25
Yazana Business Centre, Dhamazedi Road,
Sanchaung Township, Yangon,
Myanmar, represented by its Managing Director
Arappan Duraisamy ... Respondents/Defendants

A. No.3311 of 2017:-

Application praying that this Hon'ble Court be pleased to vacate the interim injunction granted in O.A. No.557 of 2017 vide order dated 07.06.2017 and dismiss the interim applications.

A. No.3312 of 2017:-

Application praying that this Hon'ble Court be pleased to vacate the interim injunction granted in O.A. No.558 of 2017 vide order dated 07.06.2017 and dismiss the interim applications.

A. No.3313 of 2017:-

Application praying that this Hon'ble Court be pleased to vacate the interim injunction granted in O.A. No.559 of 2017 vide order dated 07.06.2017 and dismiss the interim applications.

These Applications coming on this day before this court for hearing the court made the following order:-

O.A.Nos.557, 558 and 559 of 2017 of 2017 seek an order of ad-interim injunction restraining the respondents from infringing the trademark/trade name PETRO6 ENGINEERING & CONSTRUCTION, PETRO6 E&C, Petro6 (label) or any other similar marks registered under No.2102162 in classes 06, 07, 35, 37 and 42, or passing off of the products and services of the applicants’ as and for that of the defendants’ and infringing the copyright of the applicant in PETRO6.

2. A.Nos.3311, 3312 and 3313 of 2017 seek an order vacating the interim injunction granted in the above Original Applications on 07.06.2017 and a dismissal of the interim applications.

3. For the sake of convenience, the parties are referred to as per their status in the Original Applications.

4. The submissions of Mr.M.S.Bharath, appearing for the applicant are as follows: The applicant, VP Petro6 Engineers and Consultants Private Limited, is engaged in the business of providing engineering solutions and consultancy in the oil and gas industry, particularly off-shore platforms, FPSO's pipelines, jetties and on-shore receiving terminals. The business is stated to have been commenced in the year 2006 and the trading style VP PETRO 6 is being used publicly and consistently thus coming to be associated with the applicant.

5. The applicant would aver that the term Petro 6 has been coined by it and has not been in existence prior to its creation by the applicant. The trademark is an invented trademark used consistently by it without

interruption from 2006. Statutory protection was sought for the mark Petro6 by application dated 18.2.2011 and the applicant was granted registration vide certificate no.2102162 dated 5.8.2016 with effect from 18.02.2011 for goods and services in classes 6, 7, 35, 37 and 42. In addition, the artistic work comprising of the logo PETRO6 is claimed as an original artistic work within the meaning of section 2(c) of the Copyright Act 1957, of which the applicant claims to be the exclusive owner.

6. The audited sales turnover for the period 2006-2017 to 2015-16 duly authenticated by the Chartered Accountant has been placed on record. The sales turnover for the year 2006-07 is an amount of Rs.7,35,275.00 and between the years 2008-09 and 2015-16 fluctuates between amounts of Rupees two to four crores, the turnover for the year 2015-16 being a sum of Rs.3,83,69,880.00.

7. The applicant was incorporated with R3 and one Mrs.Pramila as the initial subscribers to the Memorandum. R3, Mrs. Vijayalakshmi Duraisamy, wife of R2, is a Director in the applicant company, R2 was appointed as Director in 2007 and resigned in September 2014. The directorship of R3 continues till date. In 2010, differences of opinion arose between the members in

management and at the Board meeting held on 25th and 26th of December 2010, it was resolved that all Directors of the applicant including R2 and R3 would be entitled to carry on similar business subject to clause 2.1 of the resolution to sell 51% of the shares or the whole of the company as would be the best option decided upon. This clause was, admittedly, never complied with. The minutes of meeting dated 25/26.12.2010 do not reveal any discussion or decision taken with respect to the usage of the name or the logo of the applicant company. Neither party claimed exclusive right to do so and the minutes are silent in this regard.

8. As such R2, trading as PETRO6E&C, R1, applied for registration of the trademark PETRO6 E&C and identical logo as the applicants' for goods and services in class 42 claiming use from 1.1.2010. The applicant would state that it was published in the journal dated 30.1.17 and has been opposed by the applicant on 29.5.17. Mr.Bharath would point out that the application was filed on 4.11.2011 when R2 was a part of the management of the applicant company. Further, on 24.11.2014, R2 acting in his personal capacity also filed five applications for registration of the trademark PETRO 6 E&C in classes 6, 7, 19, 35 and 37 claiming user from 1.1.2010. The name and logo for which

protection is sought for and obtained both by the applicant and respondent are as follows:

APPLICANT

RESPONDENT

(in blue, a potion of the numeral 6 in red)

(in blue, a portion of the numeral 6 in red)

1. 2. 3.

9. According to Mr.Bharath, it was only in 2017 May, upon coming to know of the trademark registration sought that the applicant made enquiries and found that R1 business was being carried on as a full fledged operation by all the respondents. The applicant would claim dishonest adoption of the trade name and the mark with an identical device and a breach of fiduciary duty seeing as R2 was earlier associated with the applicant and R3 continues in the capacity of Director. Mr.Bharath would emphasize the intention of the respondents to defraud the respondent and both infringe its name as well as logo and pass off its goods and services as those of the applicants' pointing out the identical nature of the trade

name and logo, particularly since the nature of activities are similar/identical.

10. Two defences are raised by Mr.Satish Parasaran for Mr.Arun for the respondent: suppression of vital information and acquiescence. The respondent would argue that it has filed the trademark application as early as in 2011. Then onwards, the applicant was well aware of not only the activities of R1 but the fact that business was being carried on by the respondent under the same name and using the same logo / device. To this end, they would refer to e-mails exchanged by the respondent inter se as well as with clients on which the applicant is also marked. E-mail dated 31.1.2010 between the applicant and a third party on which R2 is also copied, recognises the position that R2 has started a new company and will be completing the ongoing projects, part time. Reference is also made to an e-mail dated 18.5.2011 between R2 and a third party, also marked to the applicant, specifically referring to 'PETRO6 E&C' to establish that the use of the said term by the respondent with reference to its company was well within the knowledge of the applicant since 2011.

11. There is, before me, a peculiar situation where R3, the wife of R2 continues to be a Director in the applicant company. Mrs. Ambika Devi, the wife of one

Mr.Nallayarasu, who provides technical services to both companies, also continues to serve as a director in the applicant company. There is much interlacing of activities and personnel between the two companies. This is perhaps for the reason that, as recorded in the minutes of the meeting dated 25.12.2.10, there was no clear split in the business activities as between the companies and both continued providing services to common clientele. The prayers sought for by the applicant, infringement of trademark, copyright and passing off, have to be seen in the context of this background and relationship vis-a-vis the applicant and the respondent. The respondent has also placed on record its approximate figures of turnover from 2011-12 to 2017-18. The turnover in 2011-12 is of an amount of 18,47,984.00 and has, in the intervening years till 2017-18 seen turnovers fluctuating between four and thirteen crores, the figure for 2017-18 being a figure of Rs.6.05.09.508.00. The tabulated figures of turnover from 2011-2017 would show an increase from approximately Rs.18 ½ lakhs to over Rs.6 crores over seven years. In these circumstances, I find it difficult to accept the position that the applicant was wholly and blissfully unaware of the business activities of the respondents.

12. Reliance is placed on the following cases in support of the argument of acquiescence:

(i) ***Rhizome Distilleries P. Ltd. and others vs. Pernod Ricard S.A. France and others*** *(MANU/DE/2742/2009) Delhi High Court*

'We are of the prima facie opinion that the Plaintiffs/Respondents had adequate knowledge much prior to the filing of the suit of the resolve of the Defendants to use the trademark RHIZOME Imperial Gold firstly because the Defendants had made its intent clear before the Excise Department, Hyderabad and the Defendants had applied for registration of the trademark in 2002 and secondly because Plaintiffs" bottler had withdrawn its objection before the Excise Department, Hyderabad. The Plaintiffs idly stood by and watched the Defendants sales increase manifold. In this period the Appellants/Defendants had cornered a substantial part of the market. Delay and acquiescence has thus stepped in to defeat the Plaintiffs claim for an ad interim injunction.'

(ii) QRG Enterprises and another vs. Surendra Electricals and others *(MANU/ED/0576/2005) Delhi High Court*

36. As this court understands, acquiescence, implied consent and estopple in the field of law of trade mark are based on the premise that where a plaintiff stood by knowingly and let defendant build up a trade reputation until it has become necessary to crush it, would dis-entitle such plaintiff to relief against defendant for such a defendant has invested its time, labour and money to build for himself his own reputation. A Division Bench of this Court in the decision reported as 2001 PTC 889, Veerumal Praveen Kumar v. Needle Inds. (India) Ltd. and Anr. held:
"34.. . .Delay simplicitor may not be a defense in a suit for infringement of trade mark but where a trader allows a rival trader to expend money over a considerable period in building up a business with the aid of a mark similar to his own he will not be allowed to stop his rival's business.'

13. The exchange of e-mails between the parties has been relied upon both by the applicant as well as the respondent. The mails exchanged in 2011 indicate that the id used by R2 is, '*durai@petro6ec.com*' and thus the applicant could not have been unaware of the existence of the entity by the same name. To say that it had been taken unaware of the said fact having come to know of it only in 2017, does not, to me, seem prima facie correct.

14. Per contra, the applicant would rely on the factum of its registration stating that injunction must, mandatorily follow registration even in cases, where there has been some delay on the part of the applicant. The case laws cited are as follows:

(i) Midas Hygiene Industries P. Ltd. And another vs. Sudhir Bhatia and others *(2004) 3 SCC 90 - Supreme Court*

'5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.'

(ii)Coolways India vs. Prince Airconditioning and Refrigeration *PTC (Supp) (1) 470 (Del)*

As noticed earlier, the plaintiff has been in actual use of the trade mark "PRINCE" since about 10 years and thus, has a prima facie case. Invasion of his property right should be protected. The balance of convenience is, thus, in favour of the plaintiff. As held in Century Traders case (supra) the likely confusion that *may be caused if the defendant/respondent is allowed to use the mark "PRINCE AIR COn" will cause irreparable injury to the plaintiff.'*

(iii) Shri Swaran Singh trading as Appliances Emporium vs. M/s.Usha Industries (India) and another *(AIR 1986 Delhi 343 (DB)*

'(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 aground 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.'

(iv) Johnson Appliances (P) Ltd. vs. H.E. Industries and others *2016 (68) PTC 247 (Del)*

'76. The defendant No.4 has admitted that there are several parties which are manufacturing storage type water heaters for the said defendant and the defendant No. 4 is being paid royalty for the same by the defendant No.3 (licensed manufacturer) in India.

81. Now, with regard to question of delay, defendants submit that they have been using the mark in question since the year 2006 and the present suit was filed after eight years and the plaintiff had the knowledge about the use, thus there is delay in bringing an action. Hence, the plaintiff is not entitled to discretionary relief of injunction. There is no clinching, cogent and clear evidence available on record to show that the plaintiff was definitely aware about such user.'

(v) Hindustan Pencils Pvt. Ltd. vs. M/s.India Stationery Products Co. *(AIR 1990 Delhi 19)*

'26. Dealing with delay and the question of grant of interlocutory injunctions, W. W Kerr in his Treatise "On the Law and Practice of Injunctions", Sixth Edition at pages 360 361 observed as follows:
"Mere delay after knowledge of the infringement to take proceedings, not sufficient to call the Statute of Limitations into operation, or where the infringement continues is not, it seems, a bar to the right of an injunction at the trial. Lapse of time unaccompanied by anything else is, it seems, no more a bar to a suit for an injunction in aid of the legal right than it is to an action of deceit.

But delay may cause the Court to refuse an interlocutory injunction, especially if the defendant has built up a trade in which he has notoriously used the mark."

29. If an action is taken by the registered owner and no interim injunction is granted, the effect is that goods bearing the infringing mark or spurious goods would continue to be sold in the market. After a number of years when the case is finally disposed of, after trial, and the plaintiff succeeds and gets a permanent injunction then, possibly, the plaintiff may also be compensated by his being awarded damages or an account of profits. In that sense the non-grant of the interim injunction would not, ultimately, prejudice the plaintiff for he may be compensated with payment of money but during this period when the defendant is allowed to continue to infringe the intellectual property it is the consumer or the purchaser who alone suffers and who ultimately cannot be compensated. Therefore, in order to curb the menace of manufacture, production and sale of spurious goods and the blatant violation of intellectual property it will be proper *for the Court to take into consideration the interest of the general public. In this regard reference may usefully be made to the following observations of McCarthy at page 346, para 30.21, which deals with the protection of third parties:*

'Some Courts also consider the necessity of protecting third parties. In trade mark infringement cases, "third parties" means the buying public. If the equities are closely balanced, the right of the public not to be deceived or confused may turn the scales in favor of a preliminary injunction.'

(vi) Cable News Network Lllp (Cnn) vs. Cam News Network Limited (*MIPR 2008(1) 0113)*

'25. 'Inordinate delay' and 'latches', however, are not similar to 'acquiescence'. The distinction between 'inordinate delay', 'latches' and 'acquiescence', has been succinctly underlined in the classical Kerly on Trade Marks as follows:

The classic case of acquiescence proper is where the proprietor, knowing of his rights and knowing that the infringer is ignorant of them, does something to encourage the infringer's misapprehension, with the result that the infringer acts upon his mistaken belief and so worsens his position. It seems clear that something less than that is needed to offer a defense, but how much less is not clear. The current tendency is to hold that a defense of acquiescence or latches may be set up whenever it is unconscionable for the plaintiff to deny anything that he (consciously or unconsciously) has allowed or encouraged the defendant to believe. Mere failure to sue, without some positive act of encouragement, is not in general enough to give a defense. A defendant who infringes knowing of the plaintiff's mark can hardly complain if he is not later sued upon it, nor is a defendant who starts to infringe without searching the Register of Trade Marks is any better position that if he had searched and so learned of the plaintiff's mark. Acts of the proprietor done in ignorance of the infringement, or even done without his own registration in mind, will not amount to acquiescence. A defense of estoppel by acquiescence is to be distinguished from a defense that by delay the mark has become publici juris.

33. Let me clarify here that the defense of delay and latches simpliciter is not sufficient to bar the relief of injunction in an action for infringement of trademarks and passing off. For the defense of delay, *latches, and for that matter, even acquiescence to hold good, the defendant is enjoined with a reciprocal duty to establish itself as an honest and concurrent user of the impugned trade mark. In an action for infringement of trade mark and passing off, the defense of delay, latches and acquiescence ought to used only for sustaining the business of an honest defendant, and not for exonerating any mala fide or dishonest conduct on his part. It has now become an inherited wisdom for us that equity aids those who come to the Court with clean hands. Thus, notwithstanding the defense of delay, latches and acquiescence, when the conduct of the defendant ab initio defies honest and bona fide use, this Court is under no obligation to deny relief to the plaintiff.'*

(vii) Automatic Electric Limited vs. R.K.Dgawan and another *77 (1999) DLT 292*

'Reference may also be made to the decision in P.M. Diesels Ltd. Vs. S.M. Diesels; reported in 53 (1994) Delhi Law Times 742. It was held in those decision that if the plaintiff is a proprietor of the registered trade mark, the same gives to the proprietor of the registered trade mark the exclusive right to use the trade mark with relation to goods in respect of which the trade mark is registered under the provisions of Section 28 of the Trade and Merchandise Marks Act. It was also held that such statutory right cannot be lost merely on the question of principles of delay, laches or acquiescence. It was also held that in general mere delay after knowledge of infringement does not deprive the registered proprietor of a trade mark of his statutory rights or of the appropriate remedy for the enforcement of those rights so long as the said delay is not an inordinate delay.'

15. The above cases are distinguishable for more than one reason. The applicant did not merely delay the action filed now but specifically permitted the respondent to set the business up and grow the same successfully. The adoption of the mark itself is hardly clandestine in this

case as the business turnover achieved could not have been secretively done. The nature of business is such that it was in public domain. Furthermore, the applicant is also in the same line of business and I cannot envisage a situation where the respondent could have built the business behind the back of the applicant who could have been wholly unaware of it. The turnover of the respondent is also relevant to determine the question of grant of injunction, albeit in the context of a bonafide user. In the present case, I believe that no case has been made of fraudulent or clandestine use. The use of the mark and logo, no doubt similar/identical in both cases, is one that appears, prima facie to be open and upfront. Nothing prevented the applicant from raising the issue with the respondent and resolving the same once and for all particularly since the question has been raised tentatively in the course of e-mails. Having raised the question but not pursuing the same, the applicant is deemed to have accepted concurrent use of the trademark and name by the respondent.

16. The applicant would also argue that the similarity of goods and services as well as the identity of logo used would lead to initial interest confusion. In response the respondent would point out that the group of consumers

availing the service was sophisticated and aware and there was not the remotest possibility of any confusion in their minds on this score. The following cases are relevant in this regard:

(i) Baker Hughes Limited & another v. Hiroo Khushalani and another *1998 (18) PTC 580 (Del)*

'48. I have given my anxious consideration to the submissions of the learned Counsel for the defendants on this aspect of the matter. There can be an informed class of purchasers who have a degree of knowledge and a sense of discrimination more substantial than that of an ordinary purchaser, but the mere fact that the customers are sophisticated, knowledgeable and discriminating does not rule out the element of confusion if the trade marks/trade names/corporate names of two companies are identical or if the similarity between them is profound. In several cases it has been held that initial confusion is likely to arise even amongst sophisticated and knowledgeable purchasers under a mistaken belief that the two companies using the same corporate name, trading name or style are inter-related. It is the awakened consumers who are more aware of the modern business trends such as trade mark licensing, mergers, franchising, etc. It is this class of buyers who are likely to think that there is some sort of association between the products of two different companies when they come across common or similar trade names or corporate names or trading styles used by them. The sophistication of a buyer is no guarantee against likely confusion. In some cases, however, it is also possible that such a purchaser after having been misled into an initial interest in a product manufactured by an imitator discovers his folly, but this initial interest being based on confusion and deception can give rise to a cause of action for the tort of passing off as the purchaser has been made to think that there is some connection or nexus between the products and business of two disparate companies. This view finds support from various decisions gathered in Section 20.12 of the Filing Instructions 1988, Fall Cumulative Supplement from Callmann 'Unfair Competition, Trademarks and Monopolies'.

17. Several cases are discussed in this regard: *(Wincharger Corpn. Vs. Rinco, Inc., 297 F2d 261 (CCPA 1962). (Refreshment Mach., Inc. Vs. Reed Industries, Inc. (196 USPQ 840 (TTAB 1977). [Mobil Oil Corp. Vs. Pegasus Petroleum Corp., 229 USPQ 890]. [Lois Sportswear, USA, Inc. Vs. Levi Straus & Co., 230. USPQ 831, 837 (CA2, 1986)]. Wincharger Corporation Vs. Rinco, Inc. 297 F2d 261 (1962), Grotrian, Helfferich, Schulz, Th. Steinweg Nachf, A Corporation Vs. Steinway & Sons, A corporation, 365 F.Supp. 707 (1973, B & L Sales Associates Vs. H. Daroff & Sons, Inc., supra, 421 F.2d at 354), Communications Satellite Corp.Vs. Comcet, Inc, 429 F.2d at 1252], American Drill Busing Co. Vs. Rockwell Mfg. Co., 342 F.2d 1922, 52 CCPA 1173 (1965).*

18. The Bench then concludes to the effect that the mere fact that purchasers may be sophisticated or discriminating is not sufficient to preclude the likelihood of confusion stating that '*Being skilled in their own art does not necessarily preclude their mistaking one trademark for another when the marks are as similar as those here in issue, and cover merchandise in the same general field*' .

(ii) Gorbatschow Wodka Kg vs John Distilleries Limited (*MANU/MH/0630/2011)*

'24. The submission of the Defendant is that because the purchasers of the Plaintiff's product are educated and affluent, they have within them a discerning capacity which renders the possibility of a deception unlikely. The submission involves a basic fallacy. The fallacy lies in assuming that while those who are educated or affluent have the ability to discern, since they have higher disposable incomes, persons who do not belong to that category are more likely to be deceived. …… But the point which has been urged before the Court is that an unwary consumer of low priced, fast moving consumer goods is more likely to be deceived than a purchaser of a premium commodity. The inference sought to be drawn is that passing off is more likely in the former and improbable in the case of the latter. Stretched to its logical conclusion, the submission of the Defendant would lead to a result where the remedy in passing off becomes available only in respect of goods which the average consumer purchases for the daily necessities of life. For, it is the submission of the Defendant that it is in the case of such goods that the consumer makes a decision to purchase without a careful and discerning mind. The remedy in passing off would be rendered illusory if such an argument were to be accepted. The law has not restricted the remedy only in relation to goods of a particular nature or quality but across the spectrum of trade and business.

(iii) Banana Brand Works Pvt. Ltd. Vs Kavan Antani and others *(2016 (4) CTC 647)*

'8. Intention is not required:-

When we speak about misrepresentation, a narrow interpretation is not required. It has to be seen and understood from the point of view of the protection, such as, act of misrepresentation, though not necessarily intentional, can be, by any one starting from the manufacturer to the retailer. The reason is that such an act is attached to the goods or services as the case may be. It is also attributable to the last of the transaction and therefore, it should also be seen from the point of view of the end seller.

9. Initial interest confusion:-

9.1. There is always a possibility of confusion and deception, when the parties are involved in overlapping fields of activities. Therefore, the defence of a sophisticated user cannot be adopted. This would

> *eventually lead to reputation of one party being affected. When such a reputation is sought to be poached upon by another, then such an action would be hit by Section 29 of the Act. The concept of initial interest confusion cannot be restricted to a particular group of consumers alone. It is in human nature to go deep into anything, which creates interest. It takes a conscious effort to come back from the initial interest.*

19. Let me for a moment apply the above conclusions in the facts of the present case. The services at issue relate to engineering and project management services including consultancy for off shore and onshore oil and gas projects. These can hardly be equated to consumer goods or services where an element of confusion is possible and likely. Especially in the areas of consultancy, the entity is primarily approached on the strength of, and qua the personnel involved and the technologies used. The consultancy sought is specific and deliberate. One example mighty be the empanelment of the respondent with ONGC. This obviously cannot indicate confusion as the process of empanelment would itself depend on thorough vetting and due diligence that would eliminate all possibility of confusion, initial or otherwise. Though, as the Delhi High Court says, '*It is the subliminal confusion apparent in the record as to the relationship, past and present, between the corporate*

entities and the products that can transcend the competence of even the most sophisticated consumer' the question I am faced with is not merely one of confusion but whether there is honest and concurrent use or deliberate misrepresentation, calculated to deceive and induce a potential customer into availing services from one entity believing it to be another. As I have stated earlier, the projection of the respondent of its business model and as well as the services rendered by it do not prima facie indicate to me any intent to either infringe or pass off the services of one for the other. Though allegations have been made in this regard by the applicant, no specific instance of infringement or passing off has been pointed out.

20. The exchange of e-mails are referred to by both parties, the applicant to buttress its argument of similarity and confusion and the respondent to point out that the alleged confusion now raised by the applicant is no confusion at all since the facts were well known to it as early as in 2011. Furthermore, the possibility of initial interest confusion is itself premised on dishonest use intended to deceive. The facts in the present case do not indicate such a pattern. On the other hand the provisions of section 12 of the Trade Marks Act provide

for concurrent use of a mark, subject to the use being honest and bonafide. As indicated elsewhere, I do not, prima facie, find any dishonesty in the actions of the respondent. R4 has been in existence since 2010 and no actual instance of deception has been alleged or established by the applicant.

21. The applicant would lay stress on the respondent filing, even during his directorship, an application for registration of similar mark and logo with the Registry, relying on the following decision:

> ***Rajeev Saumitra vs. Neetu Singh and others*** *(MIPR 2016 (1) 0193)*
> *'25.Section 88 of the Indian Trusts Act provides that a Director/ Partner who in violation of his fiduciary character gains for himself any pecuniary advantage or enters into any dealing in which his own interest is adverse to the interest of the Company and thereby gains a pecuniary advantage to himself, he will hold such advantage gained for the benefit of the company. Similarly,Section 16 of the Indian Partnership Act is also relevant on this aspect.*
> *34. With regard to reliance on Foster Bryant's case (supra), in paragraph 8 of the judgment the Court has discussed about the Director's Fiduciary Duties and it was held that a Director has a Fiduciary Duty towards the Company and must deal with loyalty and good faith and avoidance of conflict of duty and self-interest. He is precluded from obtaining any property or business advantage that is in conflict with the business of the Company. A mere exception is carved out that while the employment as a director subsists, a director can take steps 'preparatory to competition'. However, it has never laid down that under the similar circumstances as in the present case, a director can start a competing business while remaining a Director. In fact, if overall judgment is read, the said judgment supports the case of the*

plaintiff. The findings and observations do not help the case of defendant No.1. ….
71. Therefore, seeing the overall situation, one can easily draw conclusion that the way the defendants No.1 and 2 had been carrying on business since February, 2015, it amounts to completely competing the business. The defendant No.1 is in violation of the provisions of Section 166 of Companies Act, 2013. She has failed to assign any valid reason or justification as to why she being the Director of defendant No.3 has started parallel business of defendant No.2. If she had any grievances or the plaintiff is trying to control the business of defendant No.3 or she was ousted as alleged by her, she had the remedy and rightly so, she was availing the remedy, but there is hardly any justification to start parallel/similar to the business of defendant No.3. Normally, the injunction should have been followed, however, the facts in the present case are peculiar. Therefore, it is to be examined, as to what type of order is required to be passed under the circumstances available in the case.'

22. The above case does not advance the case of the applicant, as the Bench, after a consideration of the facts concluded that no injunction would follow.

23. The respondent, D1, has filed an application for registration on 4.11.2011 after the Board meeting on 25/26.12.2010 when the parties had decided to pursue separate interests. D2 has filed applications in his individual capacity on 24.11.2014 and 25.5.2015 after decision of the Board of the Applicant not to re-appoint R2 as Director at the meeting conducted on 26.09.2014. D4 continues in Directorship till date. The chronology of

events as noticed by me does not indicate any violation of fiduciary relationship, prima facie.

24. That apart, Mr.Parasaran would argue that the term PETRO6 refers to an existing process and no monopoly could be claimed over the same by the applicant. PETRO6 is a process of shale extraction generated with hot gas technology. The history of the technology is explained as below:

> *'Petrobras started oil shale processing activities in 1953 by developing Petrosix technology for extracting oil from oil shale of the Irati formation. A 5.5 metres (18 ft) inside diameter semi-works retort (the Irati Profile Plant) with capacity of 2,400 tons per day, was brought on line in 1972, and began limited commercial operation in 1980. The first retort that used current Petrosix technology was a 0.2 metres (0.7 ft) internal diameter retort pilot plant started in 1982. It was followed by a 2 metres (6.6 ft) retort demonstration plant in 1984. A 11 metres (36 ft) retort was brought into service in December 1991, and commercial production started in 1992. The company operates two retorts which process 8,500 tons of oil shale daily.'*

25. Thus, according to the respondent the term PETRO6 is neither invented nor coined by the applicant and is available to be used by all those engaged in that line of business and use of the specific technology. Moreover, in the facts of this case, the applicant was aware of the use of the term by the respondent from 2011 onwards and had

thus acquiesced to the usage of the same. Though material has been placed before me in support of this argument, it does not lie in the mouth of the respondents to raise this argument seeing that both D1 and D2 have laid claim to the same mark and logo by way of separate application.

26. What tips the balance, as far as I am concerned, in favour of the respondent are two facts: firstly, that the allegedly offending actions of the defendant are not new and have been continuing since 2011. The thrust of the applicants' case is that the offending action of infringement and passing off had come to its notice only in May 2017. However, a client in e-mail dated 18.5.2011 points out that there are two entities by the same name - Petro 6 E&C (Durai) and Petro 6 E&C (Ravindran) and asks what the relationship between the two entities is. Then again, the applicant in mail dated 19.5.2011 itself suggests that the use of the term 'PETRO6' by both parties that has given rise to confusion. The use of the mark and logo by the respondent is thus not a new development and not one that the respondent is unaware of. The respondent has clearly been carrying on business since 2011 independently and to the knowledge of the applicant. Its turnover stands testimony to this position. Being a

limited company, the financials and other details of D1 are, in any event, available in public domain.

27. The question is whether the applicant can be totally unaware of same, considering that the area of business is niche and restricted and in the light of the e-mails noticed by me above. I do not believe so. I however do not decide this argument merely on the ground of acquiescence but based on the peculiar facts involved in this case. I am faced with a situation where all parties involved are obviously aware of the activities of the other and proceeding with business as usual notwithstanding such knowledge, and consciously without raising any objection in this regard. My decision is based on the events as they appear to have unfolded commencing with the minutes recorded in December 2012 and till date. The concurrent use of the mark and logo appear, prima facie, honest.

28. Secondly, the minutes of meetings dated 25/26.12.2010 and 23.4.2011 set out the terms and conditions under which the applicants and respondents parted ways. The following resolutions were passed at meeting dated 25/26.12.2010.

> *'2.1 RESOLVED THAT to sustain in the business, the members present in the meeting*

have decided to sell the shares of the COMPANY 51% or 100% depending upon the best option.

2.2 RESOLVED THAT in view of the above resolution 2.1 the members present in the meeting have agreed that the above sale conditions shall not stop or restrict in any manner the present working directors Mr.A.G.Ravindran, and Mr.A.Duraisamy, share holder directors Mrs.Nalini Ravindiran and Mrs.Vijayalakshmi Duraisamy to do same or similar business of their own either separately or jointly with the existing clients or any new clients worldwide.

2.3 RESOLVED THAT in view of the above resolution 2.1 the members present in the meeting have agreed that the above sale conditions shall not compel neither the present working directors Mr.AG.Ravindiran and Mr.A.Duraisamy nor the present employees of the COMPANY to work with the new buyer. It is left to the individual employee's option.

2.4 RESOLVED THAT in view of the above resolution 2.1 the members present in the meeting requested the present working directors to try to complete the ongoing projects as far as possible for smooth transition. If, due to the term of CONTRACT, not able to complete/fulfill the contractual obligations; the project may be novated to a company before sale of his COMPANY, if necessary, based on the assessment made by the director who is executing the CONTRACT and shall be part and parcel of condition of sale along with 2.2 and 2.3 of above resolutions.

2.5 RESOLVED THAT in view of the above resolution 2.1 the members present in the meeting have agreed that if any of the present share holder(s) match or better the price offered by the new buyer, the option SHALL be given to the present share holder(s) to buy the COMPANY.

2.6 RESOLVED THAT in view of the above resolution 2.1 the members present in the meeting have agreed that till such sale agreement is reached, the share holders shall continue to support to run the COMPANY.'

29. In Emergency General Board Meeting held on 23.4.2011, that reviewed the business as on that date it was resolved that the non working Directors would transfer their shares to the working Directors in order to ensure continuance of business. Prima facie upon a reading of the aforesaid minutes, it is clear that neither faction raised an exclusive claim to the continuance of the business by the other using the existing clients and the name and logo PETRO6.

30. The respondent would also allege tampering of documents by the applicant pointing out that minutes dated 25/26.12.2010 has been only partially placed before this Court. They would state that the original minutes (circulated by the respondent) does not contain any signature and the applicant has deleted that portion in the copy filed by it. Nothing much terms on this fact, as it is seen that all eight members have, in fact, signed the minutes.

31. Both parties are thus in agreement that the business was to be continued separately. Neither claimed an exclusive right over the name and logo being used by the consolidated business. The statutory protection sought

and granted is as follows - the applicant on 18.02.2011 registered on 5.8.2016, D1, on 04.11.2011 and D2 24.11.14 and 25.05.15, opposed by the respondent on the same date. It thus, prima facie, appears to me that the understanding of the parties on 25/26.12.2010 was that both groups were equally entitled to use the marks and logo. Perhaps this was why no opposition was raised by the applicant to the continued use of the same from 2010 thought the applicant could not, but, have been aware of such use.

32. In the aforesaid circumstances, particularly at this prima facie stage, I am not inclined to go further in depth to examine who may lay a better claim to use of the name 'PETRO6' and connected devise mark. The parties clearly maintained a status quo from 2011 till July 2017, both parties co-existing under the same name and logo. I am of the prima facie view that the applicant, by conduct, has permitted the respondent to use the mark and logo which the respondent uses, as a concurrent user. Alternatively, becomes a matter of one establishing a better right over the other. The process of trial will determine the rights of parties after due consideration of the evidence let in by both.

33. At the stage of interim protection, the considerations are the existence of a prima facie case,

irreparable injury and the balance of convenience. I do not believe that the existence of a statutory registration can be the sole parameter to determine or establish the existence of a prima facie case, particularly in the absence of any material brought in by the applicant to establish dishonest use by the respondent. One has also to take in account the conduct of the applicant. Both parties have clearly agreed to co-exist as can be seen from the minutes of the meetings noticed and extracted above. The applicant has also obviously permitted the respondent to engage in business under its existing name notwithstanding the similarity and possible confusion being brought to its notice as early as in 2011. The rights of the parties before me are closely inter-linked and are to be determined based on evidence let in by both parties which can only be considered only in the course of trial.

34. Admittedly, the parties are engaged in the rendition of services and consultancy relating to the same sector. There will consequently, be an overlap as regards the data base of clients as well. The resultant confusion, if at all, is something that both the applicant as well as the respondent have been living with since 2011, being fully aware of the situation. I am not inclined to change

the status quo at this stage. It was open to the applicant to have explained why the objection raised now was not raised at the earliest point in time, also bringing to the knowledge of the court the early correspondence between the parties that lead one to the prima facie conclusion of knowledge on the part of the applicant. This was however not done and as such I can thus only infer that the applicant, being fully aware of the usage of the similar name and logo by the respondent, not only did not have any serious objection, but permitted the same. The balance of convenience requires that the status quo as of today be maintained and the suit be referred to speedy and expeditious trial to determine the rights of parties at the earliest. The applications are dismissed and the injunction granted vacated. In so far as the determination of rights between the parties is imminent, pending trial, the respondents shall maintain accounts that shall be filed before the Court every quarter.

35. The respondents have also objected to the jurisdiction assumed by this Court vis-a-vis R4, located at Kandanchavadi, R5, located at Singapore and R6 located at Myanmar respectively stating that applications for leave to sue ought to have been filed and leave obtained. R4 is located at Kandanchavadi, falling outside the

jurisdiction of this Court. The applicant relies upon the provision of Section 134(2) of the Trade Mark Act and Section 62(2) of the Copyright Act in view of the position that the plaintiff resides within the jurisdiction of this Court. However, while this may apply in the context of the Suit for infringement, it would not apply to the challenge for passing off. No application has been filed for combining the cause of action and as such the applicant ought to have sought and obtained the leave of this Court as regards R4, R5 and R6 in the context of the prayer for passing off.

36. The applications are disposed of in the above terms.

Sd/-A.S.M.J

04.12.2017

//Certified to be a true copy//

Dated this the day of 2017

jj 07.12.2017 COURT OFFICER

From 25.09.2008 the Registry is issuing certified copies of the Order/Judgment Decree in this format.