

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CS (Comm) No. 851/2017& IA Nos.14952-54/2017**

% **Reserved on: 19th December, 2017**
Pronounced on : 22nd December, 2017

GODFREY PHILLIPS INDIA LIMITED Plaintiff

Through: Mr. Mahir Malhotra, Mr.
Mukul Mathur, Mr. Devang,
Advocates with Mr. Ravindra
Kumar Gautam, AR of plaintiff.

versus

P.T.I PRIVATE LIMITED & ORS. Respondents

CORAM:
HON'BLE MR. JUSTICE VALMIKI J.MEHTA

To be referred to the Reporter or not? **YES**

VALMIKI J. MEHTA, J

1. Plaintiff-Godfrey Phillips India Limited has filed the present suit seeking injunctions, damages, etc alleging infringement of plaintiff's registered trademarks and passing off. The prayer clauses of the plaint read as under:-

"PRAYER

In view of the aforesaid facts and circumstances, it is humbly prayed to this Hon'ble Court that it may be pleased to pass:

- a. A decree of permanent injunction, restraining the defendants, their partners, proprietors, employees, agents, distributors, stockiest, licensees and all others acting for and on his behalf, from:
 - i. manufacturing, marketing, supplying, distributing, selling,

trading, promoting the impugned products under the mark/label FUN GOLD SUPER LEAF (Label) deceptively similar to the Plaintiff's registered trademarks including *inter alia* CAVANDERS GOLD LEAF and the distinctive white, green and gold packaging or any other mark which is identical to or deceptively similarly to the Plaintiff's said registered marks, and/or from using in any manner, whatsoever, the Plaintiff's said registered marks, which amounts to infringement of the Plaintiff's exclusive rights in the said registered trademarks.

- ii. manufacturing, marketing, supplying, distributing, selling, trading, promoting the impugned products or any product, under a packaging FUN GOLD SUPER LEAF (Label), which is an imitation of the Plaintiff's artistic white, green and gold label, which amounts to infringement of the Plaintiff's copyright.
 - iii. manufacturing, marketing, supplying, distributing, selling, trading, promoting the impugned products of any other product or service under the Plaintiff's trademarks and distinctive trade dress, which is amounting to or can amount to Passing Off of the offending products as that of the Plaintiff's.
- b. A Decree of mandatory injunction be passed, thereby restraining the Defendant his partners, officers, employees, agents, distributors, stockiest, licensees and all other acting for and on his behalf, from removing, defacing, deleting, destroying or in any manner, whatsoever, disposing off or dealing with finished and unfinished impugned products under FUN GOLD SUPER LEAF (Label), raw materials, dyes, blocks, moulds, packaging material, boxes, brochures, pamphlets, promotional material, all of which bearing the impugned marks, packaging and trade dress and direct the Defendants to hand over the said products and material to the Plaintiff for appropriate disposal.
 - c. A decree for rendition of accounts of profit and /or damages, illegally earned by the Defendant; and /or
 - d. A Decree of punitive damages in favour of the Plaintiff.
 - e. An order for costs of the proceedings; and
 - f. And any other or further order, as this Hon'ble Court may deem fit in the interest of justice and in favour of the Plaintiff."

2. The basic cause of action pleaded in the suit is that plaintiff is the registered owner of the trademarks in two forms. One registered trademark of the plaintiff is the trademark which is the word

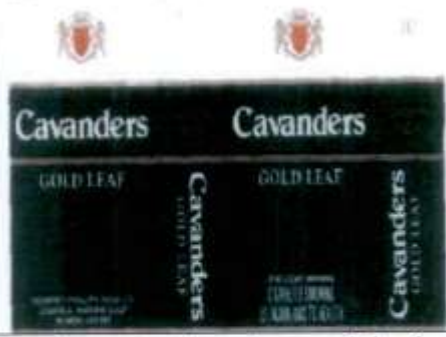
mark being 'CAVANDERS'. Plaintiff sells cigarettes under the word mark 'CAVANDERS'. Plaintiff also pleads a cause of action of being registered owner of the labels/getup of the packaging under which the cigarettes are sold by the plaintiff. Packaging of the plaintiff for selling cigarettes, besides containing the word mark 'CAVANDERS', also is in a scheme of colour combination of the shades of green and gold. The plaintiff claims that such colour scheme cannot be used by other manufacturers of cigarettes including the defendants who are said to be using the same colour scheme. Defendants are selling cigarettes under the word mark being 'FUN GOLD' and which is used as a trademark. Whereas plaintiff along with its trademark 'CAVANDERS' uses the expression 'GOLD LEAF', the defendants along with the trademark 'FUN GOLD' uses the expression 'SUPER LEAF'. Plaintiff pleads that in addition to the cause of action of infringement of its trademark by the defendants, the defendants are also causing passing off etc on account of user by them of the colour scheme of green and gold in their packaging. In order to appreciate the issues involved, paras 12 and 17 of the plaint are scanned below:-

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12. Being wary of immense reputation, goodwill and popularity enjoyed by the Company and its products and services, the Plaintiff takes proactive and stern steps to safeguard the said rights and interests. The Plaintiff has obtained several trademark registrations for its popular and well recognized marks and packaging including inter alia for Cavanders Gold Leaf and the artistic white, green and gold labels. Following are the details of few of the Plaintiff's registrations, which are relevant to the suit proceedings:

CLASS 34:

APPLICATION / REGISTRATION NO.	TRADE MARK	STATUS
1999834	CAVANDERS	Registered
GOODS: Tobacco raw or manufactured, cigarette, cigar, bidi, cigarette paper, cigarette filter, cigarette lighter, smokers articles, chewing tobacco, gutkha, tobacco products and safety matches and goods being included in class 34.		
473356		Registered
GOODS: Tobacco raw or manufactured, cigarettes, bidis and smokers articles included in class 34.		

1038905		Registered
GOODS: Cigarettes , tobacco and smokers articles included in class 34.		
1038907		Registered
GOODS: Cigarettes, tobacco and smokers articles in class 34.		
1038909		Registered
GOODS: Cigarettes, tobacco and smokers articles in class 34.		
1320556		Registered
GOODS: Cigarettes in Class 34		
1446576		Registered

GOODS: Cigarette, raw and manufactured tobacco and other smokers articles in class 34.

1674340



Registered

GOODS: Tobacco raw or manufactured, cigarette, cigar, chewing tobacco, gutkha, bidi, smoker's articles and safety matches included in class 34.

1708242



Registered

GOODS: Tobacco raw or manufactured, cigarette, cigar, bidi, chewing tobacco, gutkha, tobacco products, cigarette papers, cigarette lighters, ashtrays and other smokers article and safety matches included in class 34.

2336459		Registered
GOODS: Cigarette, cigar, cigarillos, bidi, cut tobacco, cigarette paper, pipe tobacco, cigarette filter, cigarette lighter not of precious metal, ashtray, smoker's articles, chewing tobacco, gutka, quiwam, snuff, zarda, cigarette and cigar case and holder, safety matches included in class 34.		
2648248	CAVANDERS LABEL 	Registered
GOODS: Cigarette, cigar, chewing tobacco, bidi, cigarette paper, cigarette filter, cigarette case, cigarette lighter included in class 34.		
3010911		Registered
GOODS: Cigarettes, cigar, cigarillo, cigarette paper, cigarette case, cigarette lighter included in class 34.		
3515226		PENDING
Goods: Cigarettes and tobacco products		

ABOUT THE DEFENDANTS:

17. In and around last week of November, 2017, the Plaintiff came across **FUN GOLD SUPER LEAF (LABEL)** cigarettes in the market, having packaging which is identical to the Plaintiff's packaging for **CAVEANDERS GOLD LEAF** cigarettes. The Plaintiff noticed that these cigarettes are being manufactured by one entity namely **P.T.I. (Private) Limited** claiming that the office is located at the address B-19, Koshikalan, District Mathura, U.P. Immediately thereafter, the Plaintiff conducted a market survey in various locations of Delhi like Uttam Nagar, Burari, Rohini etc. and Kosikalan in Mathura (U.P) and was shocked to learn that the various resellers are stocking and selling the Fun Gold Cigarettes along with the Plaintiff's cigarettes. The Plaintiff noticed

that even these FUN GOLD SUPER LEAF cigarettes bears identical shape, size, wrapping, text font, and color as that of the Plaintiff's popular Cavanders cigarettes. For ready reference, photographs of the cigarettes and their packaging are reproduced herein below:



3. During the course of arguments, learned counsel for the plaintiff concedes that the suit filed by the plaintiff against the defendants is not with respect to infringement of the word mark of the plaintiff 'CAVANDERS' because admittedly the defendants are using the brand name/word mark 'FUN GOLD' and which word mark used as a trademark is neither identical nor deceptively similar to 'CAVANDERS' which is the registered trademark of the plaintiff in Class 34 with respect to cigarettes, tobacco etc.

4. During further course of arguments the counsel for the plaintiff was asked as to whether the suit is for infringement of the trademark labels as a whole in that whether the defendants have copied the trademark labels as a whole which have been registered by the plaintiff under the Trade Marks Act, 1999 and as detailed in para 12 of the plaint (from internal pages 15 to 18 of the plaint), and to which query the learned counsel for the plaintiff concedes that the suit does not plead infringement of the registered trademark labels of the plaintiff as a whole and that the plaintiff has not set up a case of copying of the trademark labels of the plaintiff by the defendants as a whole. It is argued that actually the suit is in fact filed alleging that

since in the trademark labels registered of the plaintiff there are found colours of green and gold, and which though is only a part of the registered labels of the plaintiff, yet the defendants cannot use the colours of green and gold in their packaging and because these two colours form a part of registered labels of the plaintiff for selling cigarettes.

5. To device whether an owner of a label as a registered trademark is entitled to claim infringement on account of user by a defendant of a part only of a registered label trademark, it is required at this stage to refer to Section 17 of the Trade Marks Act inasmuch as this Section specifically provides that when labels are registered as a whole then the registered owner of the label as a whole cannot seek to file a case alleging infringement by a defendant by using only a part of the registered label. Section 17 of the Trade Marks Act reads as under:-

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

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

(a) contains any part—

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

- (ii) which is not separately registered by the proprietor as a trade mark; or
- (b) contains any matter which is common to the trade or is otherwise of a non-distinctive character, the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.” (emphasis added)

6. In view of the aforesaid discussion, the following aspects are clear:-

- (i) Plaintiff is not suing for infringement of its registered trademark which is a word mark of the plaintiff namely ‘CAVANDERS’ inasmuch as defendants are using a totally separate word mark/trademark ‘FUN GOLD’ for selling their cigarettes.
- (ii) The suit also is not one for passing off the word mark which is the trademark of the plaintiff, namely ‘CAVANDERS’, inasmuch the defendants are using the word mark ‘FUN GOLD’ as their trademark.
- (iii) Therefore the present suit is neither for infringement or passing off with respect to the use of the trademark ‘FUN GOLD SUPER LEAF’ by the defendants as there is no identity or deceptive similarity of the word mark used by the defendants as their trademark ‘FUN GOLD SUPER LEAF’ as compared to the word mark which is the trademark of the plaintiff viz ‘CAVANDERS GOLD LEAF’.

(iv) The suit though alleges infringement by the defendants of the trademark labels which were got registered by the plaintiff, and as detailed in para 12 of the plaint, however the infringement action against the defendants is not for the infringement of the registered labels of the plaintiff as a whole but that infringement is alleged because of the defendants user of the part of the registered labels of plaintiff being two colours of green and gold, and which colours defendants are also using on their packaging of cigarettes. The plaintiff however in view of Section 17 of the Trade Marks Act cannot plead infringement with respect to only part of the registered labels i.e consisting of two colours appearing on their labels being green and gold, and therefore the present suit alleging infringement of registered trademark label because of only part of the registered trademark use by the defendants, does not lie.

7. We are now therefore left with the issue as to whether defendants are passing off their goods being cigarettes as the goods of the plaintiff. On this issue discussion will take place under two sub-heads. First sub-head will be whether the simple colour combination of two colour shades of green and gold can be at all distinctive of the

plaintiff's packaging/getup and the second sub-head will be that even if distinctiveness exists in plaintiff's favour with respect to the two colours of green and gold on its packaging yet whether no case of passing off is made out in the facts of this case. However before discussing the two aspects it is required to be noted that discussion on these two aspects will have to take place keeping in view the parameters as mandated to commercial suits under the Commercial Courts, Commercial Division and Commercial Appellate Division of the High Courts Act, 2015 inasmuch as the subject suit is a commercial suit. Whereas in ordinary suits as per the procedure of the Code of Civil Procedure, 1908 (CPC) when disputed questions of fact arise then trial is mandatory but in commercial suits courts need not hold trial even if there are disputed questions of fact if a court comes to a conclusion that plaintiff lacks real prospect in succeeding in the suit. Commercial suits therefore can be dismissed by adopting the summary procedure and this summary procedure is the subject matter of Order XIII-A of CPC as applicable because of Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act. Order XIII-A Rule (3)(a) as applicable to commercial

courts provides that a court can give a summary judgment against a plaintiff when the plaintiff has no real prospect of succeeding in the suit claim. This is also so stated in Rule 6(1)(a) of the said Order XIII-

A. These provisions read as under:-

3. *Grounds for summary judgment*-The Court may give a summary judgment against a plaintiff or defendant on a claim if it considers that—

(a) the plaintiff has no real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim, as the case may be; and

6. *Orders that may be made by Court*-(1) On an application made under this Order, the Court may make such orders that it may deem fit in its discretion including the following:—

(a) judgment on the claim;

8. The law on the aspect of distinctiveness is encapsulated by the Supreme Court in its judgment in the case of ***Laxmikant V.***

Patel vs Chetanbhai Shah and Another, (2002) 3 SCC 65 as under:-

“12. In *Oertli v. Bowman*, (at page 397) the gist of passing off action was defined by stating that it was essential to the success of any claim to passing off based on the use of given mark or get-up that the plaintiff should be able to show that the disputed mark or get-up has become by user in the country distinctive of the plaintiff's goods so that the use in relation to any goods of the kind dealt in by the plaintiff of that mark or get up will be understood by the trade and the public in that country as meaning that the goods are the plaintiff's goods. It is in the nature of acquisition of a quasi-proprietary right to the exclusive use of the mark or get-up in relation to goods of that kind because of the plaintiff having used or made it known that the mark or get-up has relation to his goods. Such right is invaded by anyone using the same or some deceptively similar mark, get-up or name in relation to goods not of plaintiff. The three elements of passing off action are the reputation of goods, possibility of deception and likelihood of damages to the plaintiff. In our opinion, the same principle, which applies to trade mark, is applicable to trade name.”

(underlining added)

9. The basis of the ratio of the Supreme Court with respect to distinctiveness of a trademark or getup or other aspects existing for the plaintiff to succeed in a suit alleging passing off is because of Section 9(1)(a) and Section 11(3)(a) of the Trade Marks Act and these provisions read as under:-

“Section 9. Absolute grounds for refusal of registration.— (1) The trade marks-

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

.....

shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.

Section 11. Relative grounds for refusal of registration-

.....

(3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented—

(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade;"

10. The law therefore is that before passing off can be a basis of cause of action for plaintiff to succeed it has to be first shown that the plaintiff has achieved a reputation in the market with respect to its trademark or label or any other aspect, so that the plaintiff can establish that the trademark or other aspects with respect to which passing off is pleaded have become distinctive with respect to the

goods of the plaintiff. Putting it in other words, unless the aspects on the basis of which passing off is alleged are such that these aspects are shown to have exclusive co-relation to the goods of the plaintiff, the plaintiff cannot succeed in proving distinctiveness and hence cannot succeed on the cause of action of passing off. This is clearly observed by the Supreme Court in para 12 of *Laxmikant V. Patel's* case (*supra*) wherein the Supreme Court by reference to the judgment in the case of *Oertli v. Bowman (1957) RPC 388*, has stated that in an action for passing off based on the use of a mark or getup it is necessary that the plaintiff should be able to show that the mark or getup has become by use in the country distinctive of the plaintiff's goods so that use of such mark or getup by the defendant in relation to any goods of the same kind which is dealt by the plaintiff, the same will be understood by the public in that country as relatable to the plaintiff's goods. Meaning thereby that when the goods of the defendant are purchased the customer does so that as if the goods purchased are of the plaintiff. Clearly therefore the issue of an entitlement of a plaintiff to succeed in a suit for passing off is by showing that the getup or trade dress or any other aspect on the basis of which passing off is alleged are such that

such getup, trade dress or any other aspect has acquired distinctiveness and the public associates such trade dress or getup or other aspects only and only with the plaintiff's goods.

11. The issue in the present case therefore boils down to whether use of shades of green and golden colour by the plaintiff has made this combination of two colours so exclusive and distinctive that the same can only be associated with the plaintiff so that user by defendants of such colour combination will result in passing off. The aforesaid aspect has to be taken with the fact that while dealing with the issue of passing off, unlike an issue of an infringement of a registered trademark/word mark, there can exist other factors which will result in plaintiff failing to succeed in establishing passing off because such other factors will show that the reasonable customers/consumers will not be deceived while purchasing the goods of the defendant by thinking that in fact they are purchasing the goods of the plaintiff. Such differentiating factors which will result in there not existing passing off can be many with the most important factor being that if the trademark which is the word mark of the defendant is so different than what is used by the plaintiff, then passing off is not

established merely because there would be found any other similarity such as of similar colour combination.

12. In my opinion, in the present case, even if all the averments in the plaint are taken to be correct for the plaintiff to plead existence of passing off allegedly on account of use by the plaintiff of two colours green and golden in its packaging, even then the plaintiff does not have a real prospect in establishing a case of passing off because the word mark used by the defendants as their trademark is totally different than the word mark which is used by the plaintiff as its trademark i.e 'CAVANDERS' of the plaintiff as compared to 'FUN GOLD' by the defendants. We have to keep in mind that we are dealing with reasonable customers who purchase cigarettes and not reckless/negligent consumers, and that cigarettes are purchased on the basis of the brand name/trademark of the cigarettes. Also it will be noted that the plaintiff along with word mark 'CAVANDERS' is using an expression 'GOLD LEAF' whereas the defendants are using the expression 'SUPER LEAF' with the trademark 'FUN GOLD'. Also in any case and ultimately the main word mark which is a trademark of the plaintiff 'CAVANDERS' is so different than the word mark which

is the trademark of the defendants namely 'FUN GOLD' that since there is in no manner any identity or deceptive similarity between the two word marks/trademarks of the respective parties, therefore there will not arise at all any issue of passing off simply because of both parties using green and gold colours on their packaging especially because as stated above reasonable consumers purchase cigarettes by their brand name/word mark which is used as a trademark and thus mere existence of similar colour scheme of two simple shades of green and gold in the respective packaging will not cause passing off by the defendants when selling their goods/cigarettes simply because the plaintiff is also using those same two colours in their packaging for cigarettes.

13. A minor aspect to be also noted is that there is considerable difference in the pictorial representations in the respective packaging of the plaintiff and as compared to the packaging of the defendants on account of depicting how the use of cigarettes is injurious to health and causes tumors or diseases in the body. I have already reproduced above the packaging of the respective parties by scanning para 17 of the plaint and it is seen that pictorial

representations of both the packaging of the parties are completely different. I may also note that pictorial representation and warning of smoking causing cancer are now required statutorily to be affixed in the packaging and therefore since such warnings are printed in the packaging would not mean that for reasons of these warnings plaintiff can allege any passing off. Therefore though the aspect of pictorial representation is not much relevant however this aspect does have a limited bearing for denying the plaintiff right to succeed on the cause of action of passing off in the facts of the present case.

14. I must note at this stage that in quite a few Intellectual Property Rights (IPR) matters, every plaintiff seeks to throttle competition in order to create a monopoly like situation for the products of the plaintiff so that the profits carved keep on increasing and also do not decrease. It is this tendency in certain manufacturers and litigants which leads to filing of completely misconceived cases, with the present case being one such completely misconceived case having no legal cause of action. It is time that litigants and plaintiffs in suits understand that on any and every averment a legal cause of action is not made out in commercial suits so as to entitle plaintiffs to

throttle competing businesses. The law of passing off is essentially the law of business morality i.e defendants cannot use because of the concept of business morality, the trademarks or trade dress or getup or other aspects similar to that used by the plaintiff, however the principle of business morality as stated by the Supreme Court in the case of *Laxmikant V. Patel (supra)* will also equally apply to a plaintiff in a suit that the same business morality also requires freedom of trade and not filing of misconceived and baseless cases against competitors so that plaintiff enjoy monopoly like situations for their business to make ever increasing profits.

15. In view of the aforesaid discussion, it is not found that causes of actions of either of infringement or of passing off are made out in favour of the plaintiff and against the defendants because the suit lacks real prospect of succeeding in terms of the causes of action pleaded, and consequently the suit as per the averments in the present plaint has no merit, and is accordingly dismissed.

DECEMBER 22, 2017

VALMIKI J. MEHTA, J