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IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 363/2018 & I.A.Nos.12284/2015, 18716/2015,
20847/2015, 23316/2015, 949/2017

MAHLE FILTER SYSTEMS INDIA PRIVATE LIMITED

..... Plaintiff

Through Mr.Rahul Beruar with Ms.Jyotsana
Sinha, Advocates.

versus

MOBIS INDIA LIMITED & ANR

..... Defendants

Through Mr.Manish Biala with Mr.Devesh
Ratan and Mr.Ashutosh Upadhyaya,
Advocates.

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Date of Decision: 20th December, 2018

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

J U D G M E N T

MANMOHAN, J: (Oral)

1. Present suit has been filed by plaintiff seeking declaration against groundless threat of legal proceedings for infringement of defendants' trade mark and damages, and permanent injunction etc.

2. The relevant facts of the present case are that the plaintiff is the exclusive licensee in India of the trademarks "MAHLE" and "PUROLATOR" and manufactures and sells automobile and industrial filters including oil and air filters under the said trademarks. The air filters manufactured by the plaintiff are different for each vehicle and are

dependent on the make and model of the particular automobile. Therefore, according to the plaintiff in addition to prominently using its own trademarks “MAHLE” and “PUROLATOR”, the plaintiff also denotes the make and model of the automobile for which the filter in question has been manufactured i.e. ‘suitable for Santro’ or ‘suitable for Lancer’ and so on in relatively much smaller font size on its packaging.

3. The defendants have filed four FIRs in different States including Delhi against the plaintiff’s distributors on the ground that use of defendants’ trademark on the plaintiff’s products infringes defendants’ trademarks.

4. Learned counsel for the plaintiff submits that the plaintiff’s use of defendant no.2’s automobile make and model qualifies as ‘denominative use’ and is permitted under Section 30(2)(d) of the Trademarks Act, 1999 (hereinafter referred to as ‘Act, 1999’) and does not amount to infringement.

5. Learned counsel for the plaintiff emphasises that the use of the defendants’ mark is reasonably necessary to indicate that the oil filters are so adapted and such use is not being done in the trademark sense to derive any benefit, commercial or otherwise.

6. Per contra, learned counsel for the defendants prays that the present suit be disposed of in accordance with the judgment of a Coordinate Bench of this Court dated 25th October, 2018 passed in ***Elofic Industries Limited & Anr. Vs. Mobis India Limited & Anr.; CS(COMM) No.17/2016.***

7. Having heard learned counsel for the parties and having perused the aforesaid judgment in ***Elofic Industries*** (Supra), this Court is of the view that the submissions advanced by learned counsel for the plaintiff are no

longer *res integra*. A Coordinate Bench in similar facts in ***Elofic Industries*** (Supra) interpreted Section 30(2)(d) of the Act, 1999 and has held as under:-

“34. Though the defendants in their written statements have controverted paras 26 to 28 of the plaint, but I am of the view that even if what the plaintiffs have pleaded therein is to be true, still the plaintiffs, without appending the endorsement as proposed by me, are not entitled to so use the trade mark of the defendant. My reasons for holding so are as under:

A. Trade mark, as distinct from copyright, is not only a statutory right but also a common law right.

B. Section 28 of the Trade Marks Act confers on the registered proprietor of the mark, the exclusive right to the use of the mark and to obtain relief in respect of infringement thereof.

C. Section 29 of the Trade Marks Act constitutes as infringement, use of a trade mark, as a trade mark, in relation to goods in respect of which the trade mark is registered, by a person who is not a registered proprietor thereof.

D. Section 2(zb) of the Act defines a trade mark as a mark which is capable of distinguishing the goods of one person from those of other.

E. Use by the plaintiffs of the trade mark of the defendants, according to the plaintiffs also, is to communicate to the consumers of the said goods, that the goods are intended for the automobiles of the defendants. The use by the plaintiffs of the trade mark of the defendants, is thus to distinguish the said goods from other such goods and qualifies as use as a trade mark.

F. Mere fact, that the packaging of the plaintiffs, besides displaying the trade mark of the defendants, also displays the trade mark of the plaintiffs, is of no avail. The same does not cease to distinguish the said goods as associated with the defendants. Such use by the plaintiffs, of the trade mark of the defendants, is “likely to be taken” as use as a trade mark, within the meaning of Section 29(1) of the Act and constitutes infringement by the plaintiffs of the trade mark of the defendants.

G. Section 29(1) does not require the test of confusion to be applied.

H. Section 30 is not couched as an exception to Section 29 and only places limitations on “effect of registered trade mark”.

I. Section 30(2)(d) which is invoked, provides that a registered trade mark is not infringed, where use of a trade mark is in relation to goods adapted to form part of or accessory to other goods in relation to which the trade mark has been used, without infringement of the right given by registration, if the use of the trade mark is reasonably necessary to indicate that the goods are so adapted and the purpose or effect of the use of trade mark is not to indicate, otherwise than in accordance with the fact, a connection in the course of trade between any person and the goods.

J. Significantly, Section 30(2)(d) does not use the words “.....other goods in relation to which the trade mark has been registered” but uses the words “.....other goods in relation to which the trade mark has been used”, before the words “.....without infringement of the right given by registration”. I have wondered the reason. One of the reasons I can think of is that, if the registered trade mark has not been used, then the question of using the registered trade mark in relation to goods adapted to form part of or accessory to the goods with respect to which the trade mark has been registered will not arise and axiomatically Section 30(2)(d) would not apply. However we, in this case, are not concerned with such a situation.

K. Section 30(2)(d), while laying down limits on effect of registered trade mark, mandates, a) the use in terms thereof to be “....without infringement of the right given by registration under this Act.....”; b) such use to be reasonably necessary to indicate that the goods are so adapted; c) that the effect of such use of the trade mark is not to indicate, otherwise than in accordance with the fact, a connection in the course of trade between the registered proprietor of the trade mark and the goods on which the trade mark thereunder is permitted to be used.

L. Section 28, as aforesaid, confers on the registered proprietor, right to exclusive use of the trade mark and right to sue for infringement as defined in Section 29. Section 29(1) prescribes that

a trade mark is infringed by use of registered trade mark by another, provided such use is as a trade mark. Once a defence under Section 30(2)(d) is invoked, it is implicit that use is as a trade mark, inasmuch as if use is not as a trade mark, it does not amount to infringement and the question of invoking Section 30(2)(d) does not arise. It is thus not open to take the pleas of use being not as a trade mark as well as of Section 30(2)(d). However, such dilution / limit placed on effect of registration is subject to conditions.

M. The first condition as aforesaid is that it should be without infringement. However, once Section 30(2)(d) is invoked, as aforesaid, infringement within the meaning of Section 29 is implicit. The only way to harmoniously interpret Sections 28 and 29 on the one hand and Section 30(2)(d) on the other hand, is to strictly construe the other two conditions provided in Section 30(2)(d).

N. Once we look at the statutory provisions so, the only inference is that if there is even an iota of doubt that use of the trade mark for indicating that the goods are adapted to form part of or to be accessory to goods with respect to which trade mark is registered and is being used will have the effect of indicting a trade connection between the registered proprietor of the trade mark and the person so using the trade mark, either the said use be stopped and held to be not within the scope of Section 30(2)(d) or to remove such doubt.

O. The practise of trade prevalent is of automobile manufacturers either also manufacturing and marketing spare parts thereof themselves or of automobile manufacturers not themselves manufacturing each and every part of automobile and appointing OEMs for such parts and which OEMs are also authorized to sell such parts as spare parts and which spare parts are treated by the consumers as originals, having trade connection with automobile maker i.e. having the same quality as of the part fitted in the automobile.

P. Use of the trade mark of the defendants, as wanted by the plaintiffs, is likely to indicate a similar trade connection between plaintiffs and defendants as between defendants and their OEMs.

Q. The defendants, besides using their trade mark for marketing of automobiles, also use the trade mark for marketing of spare parts of

such automobiles. The plaintiffs compete with the defendants in the sphere of marketing of such spare parts. From the responses of the counsel for the plaintiffs as recorded hereinabove, it is evident that the use by the plaintiffs of the defendants trade mark and the reluctance of the plaintiffs to use the trade mark along with the endorsement suggested, are evidence of use by the plaintiffs of the defendants trade mark conveying a connection in the course of trade between the plaintiffs and the defendants. Section 30(2)(d) permits such use of the trade mark only if it does not have the effect of indicating such a connection.

R. Even otherwise, use by the plaintiffs on the packaging of their spare parts of the words "SUITABLE FOR HYUNDAI ACCENT" or use by the plaintiffs of the words "Genuine Accessories of ELOFIC INDUSTRIES LIMITED" along with the use of the trade mark of the defendants is found to be capable of indicating to the consumers that the spare parts being bought by them have a connect with the defendants, when admittedly there is none.

S. What better way to break such trade connection and doubt than by using language, as used in the statute.

T. Moreover, Section 30(2)(d) only places limitations on effect of registration and has no applicability to the inherent common law rights of the defendants to their trade mark and, while interpreting Section 30(2)(d), such rights of the defendants cannot be trifled with.

35. Rather, it appears, that instead of using the words "Suitable for", the words of the statute i.e. "Adapted to form part of" be used.

36. I thus deem it appropriate to dispose of the present suit with the following order:

(I) The plaintiffs, on their products shall use the trade mark/brand name of the defendants only in the manner as in Ex.C-1 to C-6 i.e. at the same place on the packaging where the names of the manufacturers, particulars of products etc. are stated and in the same font as in Ex.C-1 to C-6 and not in any bigger font and substituting the words "Suitable for" with the words "Adapted to form part of".

(II) However, the plaintiffs, immediately below the words “Adapted to form part of” preceding the trade mark/trade name and/or brand of the defendants shall endorse in the same font “WE HAVE NO TRADE CONNECTION WITH HYUNDAI”;

(III) Upon the plaintiffs so using the trade mark of the defendants, the defendants shall not mete out any threats of infringement of their trade mark and not communicate so to the public at large or to the agents or dealers of the plaintiffs”

(emphasis supplied)

8. Keeping in view the aforesaid mandate of law, the present suit is disposed of with the following directions:-

(i) The plaintiff shall substitute the words “Suitable for” with the words “Adapted to form part of” in similar font and in the same place on the packaging.

(ii) The plaintiff immediately below the words “Adapted to form part of” preceding the trade mark/trade name and/or brand of the defendants shall endorse in the same font “WE HAVE NO TRADE CONNECTION WITH HYUNDAI”;

(iii) Upon the plaintiff so using the trade mark of the defendants, the defendants shall not mete out any threats of infringement of their trademark and not communicate so to the public at large or to the agents or dealers of the plaintiff.

9. With the aforesaid directions, present suit and pending applications stand disposed of. No costs.

10. Decree sheet be drawn up accordingly.

MANMOHAN, J

DECEMBER 20, 2018/KA