



2024:DHC:7544-DB



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment Pronounced on: 01.10.2024

+ **FAO (OS) (COMM) 145/2023**

WIPRO ENTERPRISES PRIVATE LIMITED

...APPELLANT

VERSUS

HIMALAYA WELLNESS COMPANY & ORS.

...RESPONDENTS

For the Appellant

: Mr. Rajiv Nayar, Sr. Advocate with Mr. Ankur Sangal, Mr. Ankit Arvind, Advs.

For the Respondents

: Mr. Pravin Anand, Ms. Prachi Aggarwal, Ms. Ridhie Bajaj and Ms. Kanupriya Chawla, Advs.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MS. JUSTICE TARA VITASTA GANJU

JUDGMENT

TARA VITASTA GANJU, J.:

1. The present Appeal has been filed by the Appellant impugning an order of interim injunction dated 12.07.2023 granted by the learned Single Judge of this Court [hereinafter referred as "Impugned Order"] in favour of the Respondents and against the Appellant. By the Impugned Order, an application filed by the Respondents under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 [hereinafter referred to as "CPC"], was partly allowed, with a finding that a case of passing off is made out and restraining the Appellant from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in any manner with regard to any products and services, including but not limited to their female hygiene and menstrual health product under the mark "EVECARE"



and/or any other mark which is a deceptively similar mark. It was however held that an action for infringement was not made out as the Appellant's identical trademark "EVECARE" was registered in Class 3 of the Trade Marks Act, 1999 [hereinafter referred to as "the Act"]. The Appellant has challenged the grant of injunction and the finding of passing off as given by the learned Single Judge.

Brief Facts

2. This Appeal was listed before this Court on 18.07.2023 when a statement was made on behalf of the learned Counsel for the Respondents that the Impugned Order shall not be enforced until the next date of hearing. The undertaking as recorded by the Court on that date was continued. Thereafter, a Coordinate Bench of this Court after hearing arguments in the Application for Stay [CM Appl. 36103/2023], rendered a judgment on 06.10.2023, setting out that the Impugned Order does not suffer from any manifest or patent illegality and dismissed the Application for Stay. The 06.10.2023 judgment of the Coordinate Bench of this Court was taken in an Appeal before the Supreme Court. The Special Leave to Appeal filed before the Supreme Court was however withdrawn by the Appellant on 25.01.2024.

3. The Respondents had filed a Suit for injunction restraining the Appellant from infringing the registered trademarks as well as for passing off their goods as those of the Respondents along with the ancillary reliefs.

3.1 It was the case of the Respondents that the Respondents have been involved in the manufacturing and distribution of Ayurvedic medicaments and preparations since 1930 and have developed several pharmaceutical grade herbal healthcare products. These products are sold under the



umbrella brand called “HIMALAYA”. The Respondents manufacture and sell an ayurvedic proprietary medicine used as a uterine tonic for women under the marks “EVECARE” and “EVECARE FORTE” meant for relieving symptoms of dysfunctional uterine bleeding and for uterine health.

3.2 The Respondents contended that the mark “EVECARE” was adopted by the Respondents in the year 1997 and has been in continuous and extensive use by the Respondents since 1998. The mark “EVECARE” was registered by the Respondents on 02.12.1997 on a ‘*proposed to be used*’ basis in respect of medical and pharmaceutical preparations in Class 5. By virtue of long, continuous and extensive use, the Respondents have garnered immense goodwill and reputation in respect of their mark “EVECARE”.

3.3 The Respondents have provided their sales turnover from the year 2012-13 to 2022-23 in respect of the products being sold under the “EVECARE” marks/logos as well as their advertisements and promotional expenses in respect of these products. The products of the Respondents are available as over-the-counter products at various neighborhood drug stores/chemists, general stores, as well as the exclusive retail stores of the Respondents and are also available for purchase on various online platforms including Amazon and Netmeds.

3.4 In November 2022, the Respondents became aware of the mark “EVECARE” of the Appellant and issued a cease-and-desist notice dated 23.11.2022 calling upon the Appellant to desist from using the mark “EVECARE”. Since the notice was not complied with, the Respondents filed the Suit for permanent injunction along with the application seeking



interim injunction, which is the subject matter of the present Appeal.

Contentions of Appellant

4. It is the case of the Appellant that the Appellant is a well reputed company and not a “fly-by-night” entity and is one of the fastest growing FMCG companies in India selling a variety of personal care and home care products. In November 2020 the Appellant expanded its range of hygiene products and ventured into the female hygiene segment and conceived the idea of ranging an intimate hygiene wash for women. The mark “EVECARE” is a combination of two words, “EVE” representing that it is female and “CARE” to give a protective and caring tone to the brand making its adoption of this mark completely *bona fide*.

4.1 The mark “EVECARE” was applied for by the Appellant in Class 3 after undertaking a survey. Since, there was no registration or pending trademark application in the said Class and no objection was raised by the trademark registry or any other third party, the Appellant’s mark was registered on 20.05.2021. The Appellant started manufacturing and selling its products in August 2021. The Appellant has invested extensive amount of money in the promotion of all its products and built its brand in the cosmetic market.

4.2 The Appellant contends that there cannot be any confusion between both the products as the products are very different on the basis of the following reasons:

- (i) The Appellant’s product is a cosmetic intimate wash whereas the Respondents’ product is an ayurvedic medicine;



(ii) The Appellant's product is an external wash product whereas the Respondents' product is ingestible tablets/syrups;

(iii) The Appellant's product falls in Class 3 of the Trade Marks Act and the Respondent's product falls in Class 5 of the Trade Marks Act;

(iv) The packaging/trade dress of both the products is completely different; and,

(v) The Respondents always use their house mark "Himalaya" along with the word mark "EVE CARE" on its product, which clearly distinguish it from the Appellant's products, which is known as "EVE CARE" or "WIPRO EVE CARE".

4.3 The Respondents have not been able to establish any goodwill or reputation attributable to their mark "EVE CARE" on a stand-alone basis as their mark is always used along with the mark "HIMALAYA", thus the mark "EVE CARE" by itself, does not have any goodwill or reputation.

4.4 The threshold for granting an injunction in the unrelated classes is higher and the Respondents have not been able to cross that threshold. It is the contention of the Appellant that the test of infringement as set out in the case of *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*¹ cannot be imported where there is no infringement and thus, the learned Single Judge has incorrectly applied the above-mentioned test.

Contentions of Respondents

5. The Respondents contended that they are the prior user of the adopted mark and have been using the same since 1998. Thus, due to

¹ 1964 SCC OnLine SC 14



continuous use of more than two decades, the mark has acquired goodwill and has become a source identifier.

5.1 The Respondents sell ayurvedic proprietary medicine used as a tonic for women under the Impugned Mark “EVECARE” along with “EVECARE FORTE”. The said mark was adopted in 1997 and has been in continuous and extensive use since 1998. Thereafter, the impugned “EVECARE” (Word) mark has been registered under the Act bearing Registration No. 780581 under the Class 5, which constitutes medical and pharmaceutical preparations.

5.2 The word “EVE” does not only mean “lady” but is a biblical name which means “first woman on earth”, therefore, the word “EVECARE”, is a coined term and it is not dictionary word and being a coined word is highly distinctive.

5.3 The Respondents have contended that when a search is conducted on e-commerce websites, the products of both the parties show up. The Respondents further contend that products of the Respondents have been in the market since 1998 and thus their user is more than 25 years at present. The adoption of the Appellant of an identical mark after nearly 22 years of the launch of the Respondents’ mark, shows that the Appellant’s adoption was dishonest.

5.4 The goods of the Appellant and the Respondents are related as the goods of the Appellant are an intimate vaginal wash and the Respondents’ goods are tablets and capsules for regulating menstruation. Thus, both these products are allied and cognate and pertain to the female reproductive hygiene and the consumers of these products are the same, being women. The Respondents have relied on the judgment by a



Coordinate Bench of this Court in *H.S. Sahni v. Mukul Singhal and Another*² to submit that International Classification of Goods and Services³ [hereinafter referred to as “NICE classification”] is not the criteria for deciding similarity of goods and services.

5.5 There are common manufacturers for both the products, such as “PIRAMAL”, “RAPROSS”, “HIMALAYA” and the Respondents, who manufacture both the medicines as well as intimate wash. Reliance in this regard has been placed on the documents filed by the Respondents before the learned Single Judge.

5.6 The Respondents have also contended that it has already filed an application under Section 124 of the Act seeking permission to file a Rectification Petition for removal of the registration of the mark of the Appellant as also for framing of an issue regarding the invalidity of the trademark of the Appellant which is pending adjudication before the learned Single Judge.

5.7 The chances of confusion are further increased as both the products are ‘Hush Products’ (i.e., products which are of intimate or personal nature, like, contraceptives, sanitary pads, etc.). Therefore, the likelihood of confusion is amplified as the customers are less likely to openly enquire about the same.

5.8 Lastly, it is contended that it is immaterial whether the Classes of both products are different under the NICE Classification, as vaginal wash would fall in both Classes and customers would not base their decision to

² 2022 SCC OnLine Del 3772

³ The NICE Classification of Goods and Services is also followed by the Trademark Registry of India.



purchase on classifications.

Analysis and findings

6. It is apposite at this stage, to set out a pictorial representation of the products of both the parties below:



7. By the Impugned Order, the learned Single Judge found that action for infringement is not made out since both Appellant and Respondents are registered proprietors of their respective marks. However on a *prima facie* finding of a likelihood of confusion between the products in the minds of the prospective customers, granted an injunction restraining the Appellant from passing off its goods under the “EVE CARE” mark.

8. An action of passing off, is premised on the rights of a prior user and the goodwill that has been generated by such prior user. The Supreme Court in *N.R. Dongre & Ors. v. Whirlpool Corporation & Anr.*⁴ recognized that registration is not a deceivable right and is subject to the

⁴ (1996) 5 SCC 714



rights of the prior user. In *S. Syed Mohideen v. P. Sulochana Bai*⁵, the Apex Court while dealing with the rights of passing off, vis-à-vis those of registration rights has held as follows:

“30.5. The above were the reasonings from the provisions arising from the plain reading of the Act which gives clear indication that the rights of prior user are superior than that of registration and are unaffected by the registration rights under the Act.

31. Secondly, there are other additional reasonings as to why the passing off rights are considered to be superior than that of registration rights.

31.1. Traditionally, passing off in common law is considered to be a right for protection of goodwill in the business against misrepresentation caused in the course of trade and for prevention of resultant damage on account of the said misrepresentation. The three ingredients of passing off are goodwill, misrepresentation and damage. These ingredients are considered to be classical trinity under the law of passing off as per the speech of Lord Oliver laid down in *Reckitt & Colman Products Ltd. v. Borden Inc.*⁶ which is more popularly known as "Jif Lemon" case wherein Lord Oliver reduced the five guidelines laid out by Lord Diplock in *Erven Warnink Bes lo ten Vennootschap v. J. Townend & Sons (Hull) Ltd.*⁷ ("the Advocaat case") to three elements: (1) goodwill owned by a trader, (2) misrepresentation, and (3) damage to goodwill. Thus, the passing off action is essentially an action in deceit where the common law rule is that no person is entitled to carry on his or her business on pretext that the said business is of that of another. This Court has given its imprimatur to the above principle in *Laxmikant V. Patel v. Chetanbhai Shah*⁸.

31.2. The applicability of the said principle can be seen as to which proprietor has generated the goodwill by way of use of the mark/name in the business. The use of the mark/carrying on business under the name confers the rights in favour of the person and generates goodwill in the market. Accordingly, the latter user of the mark/name or in the business cannot misrepresent his business as that of business of the prior right holder. That is the reason why essentially the prior user is considered to be superior than that of any other rights. Consequently, the examination of rights in common law which are based on goodwill, misrepresentation and damage are independent to that of registered rights. The mere fact that both prior user and subsequent user are registered proprietors are irrelevant for the purposes of examining who generated the goodwill first in the market and whether the latter user is causing misrepresentation in the course of trade and damaging the goodwill

⁵ (2016) 2SCC 683

⁶ (1990) 1 WLR 491 : (1990) 1 All ER 873 (HL)

⁷ 1979 AC 731 : (1979) 3 WLR 68 : (1979) 2 All ER 927 (HL)

⁸ (2002) 3 SCC 65



and reputation of the prior right holder/former user. That is the additional reasoning that the statutory rights must pave the way for common law rights of passing off.

*32. Thirdly, it is also recognised principle in common law jurisdiction that **passing off right is broader remedy than that of infringement. This is due to the reason that the passing off doctrine operates on the general principle that no person is entitled to represent his or her business as business of other person.** The said action in deceit is maintainable for diverse reasons other than that of registered rights which are allocated rights under the Act. The authorities of other common law jurisdictions like England more specifically Kerly's Law of Trade Marks and Trade Names, 14th Edn., Thomson, Sweet & Maxwell South Asian Edition recognises the principle that where trade mark action fails, passing off action may still succeed on the same evidence."*

[Emphasis is ours]

9. The Appellant has contended that no case of passing off was made out. The Appellant's product is a cleansing cosmetic wash which is distinct from the tablets and syrups which are manufactured and sold by the Respondents. The Appellant's product is related with general hygiene while the Respondents' product is a very specific product for treating menstrual disorder and maintaining uterine health and as per the Appellant, the subtle distinction between the two products has not been appreciated by the learned Single Judge.

10. In addition, it has been contended that the trade dress, packaging and get-up of the two marks is entirely different. The word "EVE CARE" is also used differently in the packaging by the Appellant and that these differences are material for the purposes of considering the case of passing off. The Appellant has relied on the judgment in the case of ***Sun Pharmaceutical Laboratories Ltd. v. Hetero Healthcare Ltd. & Anr.***⁹ wherein a Coordinate Bench of this Court upheld the order of the learned

⁹ 2022 SCC OnLine Del 2580



Single Judge which dismissed the application for interim relief where the marks in issue were “LETROZ”/ “LETEROZ” and “HETERO” and held that the marks being not similar, there was *prima facie* no possibility of confusion or deception in the mind of the purchaser of the drug.

11. The *Sun Pharmaceutical* case however is distinguishable from the present case. The mark in issue in that case was for a drug which had to be necessarily prescribed by a registered medical practitioner and was for the treatment of cancer. A Coordinate Bench of this Court found that an Oncologist who is an expert in the field of medicine would be the person who prescribes the drug and is not likely to get confused because the first three letters, that are “LET”, are derived from a mark of the Respondent “LETROZOLE”.

12. In *Pfizer Ltd. v. Eurofood Link (U.K.) Ltd.*¹⁰ of the Chancery Division of the U.K. High Court held that in deciding similarity of the goods and services, factors including their nature and their method of use and whether they are in competition with each or are complementary are all relevant:

“20. Following on from that decision in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1999] R.P.C. 117. the Court of Justice returned to the question of likelihood of confusion for the purposes of Article 4(1)(b) in a further reference from Germany. The Court amplified upon the reasoning in *Sabel* in the following passage:

...

23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant facts relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition which each other or are complementary.”

¹⁰ 2001 F.S.R. 3



[Emphasis is ours]

13. The Appellant has set out differences in the two products including that their product is an external wash while the Respondents' product is ingestible tablets/syrups. The Respondents on the other hand state that the goods are allied/cognate or related goods as they both pertain to female reproductive hygiene/health.

14. McCarthy in his Treatise on Trademarks Law¹¹ has explained that allied or related goods does not necessarily mean a physical relationship between the goods [or services] but rather their relation in the minds of the consumers. A trademark owner is granted protection against the use of its mark if it could reasonably be thought by the buying public who come from the same source or be affiliated or be connected with each other. It has been explained that where goods are thought to come from the same source or are connected or affiliated with each other, such goods are "related goods", and protection is granted to the trademark owner if it can reasonably be thought that they may come from the same source in the minds of the public. The relevant extract is below:

"The "Related" Goods or Services Rule. The modern rule of law gives the trademark owner protection against use of its mark or any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner. This is often referred to as the "related goods or services" rule. "Related" does not mean that there is necessarily any physical relationship between the goods or services identified by the conflicting marks. Rather, it means that the marks as used are "related" in the mind of the consuming public."

The 1938 Restatement of Torts adopted a version of the related goods rule as applicable to common law trademark and unfair competition law. Similarly, the modern Restatement imposes liability if the accused infringer uses a designation that is likely to cause confusion as to association, production,

¹¹ 4 McCarthy on Trademarks and Unfair Competition, §24:6 (5th ed., 2023) (pp. 25-26)



sponsorship, certification, or approval.

A Slow Start for the Modern Rule. When a placed together, the Aunt Jemima and Yale cases resulted in a rule that gives the trademark owner protection against use of its mark on any product that would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by the trademark owner.”

[Emphasis is ours]

15. It cannot be disputed however, that the end users, and their use are both related to the female reproductive system/menstruation and the consumers of these products are the same, being women. The learned Single Judge has after a detailed analysis set out in the Impugned Order that there was a likelihood of confusion between the products of the Appellant and the Respondents in the following manner:

“33. Applying the aforesaid principles to the facts of the present case, I am of the considered view that the goods of the defendant are similar and allied/cognate to the goods of the plaintiffs. In arriving at the aforesaid finding, the following factors weigh with this Court:

(i) Both the goods of the plaintiffs and the defendant are targeted at the same set of consumers, i.e., women.

(ii) The function of both the products is similar i.e., to maintain a healthy female reproductive system with uterine and vaginal care being the focus. The main purpose of the uterine tonic of the plaintiffs is to increase the level of oestrogen causing growth of commensal bacteria, which in turn results in lowering or maintaining of pH levels between 3.5 to 4.5. This is the optimum pH level required for a healthy vagina. The function of the defendant's vaginal wash is also to maintain balanced pH, besides maintaining sanitation and hygiene. In fact, the defendant's products state on its packaging, “in order to maintain microflora balance in the feminine area, washing with the product like ‘EVE CARE’ that has pH 3.5 is recommended”.

(iii) Both the products can be taken at the same time so as to achieve better results and are hence, complimentary to each other.

(iv) The trade channels of both the products are same - both the products are sold by chemists as well as online pharmacies. The products of the plaintiffs, even though in the nature of a medicine, do not require a doctor's prescription and can be freely bought and sold as over-the counter products.



(v) *The products of both the plaintiffs and defendant are sold by online pharmacies under a common category on their websites i.e., 'Women Care'. Reference in this regard may be made to page numbers 165– 169 and 194– 203 of the documents filed with the plaint on behalf of the plaintiffs, which are extracts from the website of 'TATA 1mg' where the products of the plaintiffs and the defendant are sold under the common category of 'Women Care'.*

(vi) *When a prospective consumer would search for 'EVECARE' on various third-party e-commerce platforms, such as 'Amazon', 'Netmeds' and 'TATA 1mg', both the products of the plaintiffs and the defendant would show up, which is likely to cause confusion. Reference in this regard may be made to page numbers 144–146 of the documents filed with the plaint and page numbers 11–16 of the documents filed with the rejoinder by the plaintiffs, which are extracts from the aforesaid websites.*

(vii) *A perusal of the screenshot of third-party websites filed by the plaintiffs clearly shows that the prices at which the two products are sold are similar. Reference in this regard may be made to the extracts from the website 'Netmeds' and 'TATA 1mg' on page numbers 11–16 of the documents filed with the rejoinder by the plaintiffs and the extracts from 'Amazon' on page numbers 144–146 of the documents filed with the plaint.*

(viii) *There are common manufacturers for both the products, such as 'Piramal', 'Rapross' and the plaintiffs, who manufacture both, the medicine as well as the intimate wash. Reference in this regard may be made to page numbers 90–136 of the documents filed with the rejoinder by the plaintiffs."*

15.1 We agree with the contention of the Respondents that the goods are allied/cognate goods as they both pertain to female reproductive hygiene/health. The analysis undertaken by the learned Single Judge is only for the interim stage and does not suffer from any infirmity.

16. It has been contended by the Respondents that an internet search for the term "EVECARE" on e-commerce websites would display both the products of the Appellant as well as the Respondents thus creating confusion in the minds of the public. The Respondents have contended that the goods are allied/cognate with the same consumers [women] and are complimentary to each other as they can be taken at the same time by



the consumers. It was contended that the e-commerce websites such as Amazon, Netmeds and the like show that when the word “EVECARE” is searched, they display both products of the Appellant and the Respondents.

17. Undisputably, in the present case, the marks of the Appellant and Respondents are identical – “EVECARE”. The only reason used for proceeding with its registration in the year 2021, despite knowledge of the prior registration of the Respondents, as given by the Appellant, was that the registration of the Respondents was in a different Class.

18. The Appellant has explained that prior to launching their product, it had conducted a search in Class 3 of the NICE Classification for the mark “EVECARE” and the search result showed that there was no other mark in the said Class of goods as the Respondents' mark appears in Class 5. Thus, the Appellant could not have been enjoined by the learned Single Judge. We are unable to agree with this submission. Relying on the judgment in the *FDC Limited v. Docsuggest Healthcare Services Pvt. Ltd. & Anr.*¹², the learned Single Judge has held that the classification of goods and services under Section 7 of the Act is not the criteria for deciding the question of similarity of such goods and services. A Coordinate Bench of this Court in *HS Sahni* case has relied on the *FDC Limited* case as well as judgment passed by the Madras High Court in the matter of *Sri Vari Pharma v. Apex Laboratories Pvt. Ltd. & Ors.*¹³ to hold that whether a Plaintiff's product falls within the classification or not, is purely a subject matter of trial. The relevant extract is as follows:

“48. In *FDC Limited v. Docsuggest Healthcare Services Pvt. Ltd.* : (2017) 69

¹² 2017 SCC OnLine Del 6381

¹³ 2015 SCC OnLine Mad 14278



PTC 218 (Del), this Court had held that “the classification of goods and services under Section 7 of the Act is not the criterion for deciding the question of similarity in goods and services”. The Court had referred to the following passage from K.C. Kailasam./Ramu Vedaraman's Law on Trade Marks & Geographical Indications 1st Edition, 2003:—

“Classification of goods given in the rules not the criterion”

Whether or not two sets of goods or services are of the same description is not to be decided on the basis of the classification of goods and services given in the 4th schedule to the Trade Marks Rules, 2002. The description of goods may be narrower or wider than any of the classes according to the circumstances of the case. As we observed by LINDLEY J., in the Australian Wine Importers Trade Mark case ((1889) 6 RPC 311). “If you come to look at that classification, you will find goods of the same description, in one sense, in different classes, and you will find goods of different description in the same class.”

49. In the case of Sri Vari Pharma v. Apex Laboratories Pvt. Ltd. : 2015 SCC OnLine Mad 14278, the court held that “Classification of goods and service under the trademark is a broad classification: whether the plaintiff's product will fall within that classification or not, is purely a subject matter of trial.”

[Emphasis is ours]

19. Thus, the submission of the Appellant is misconceived. The classification of goods and services under Section 7 of the Act is intended for the purposes of registration of trademarks and cannot be relied upon by the Appellant as has sought to be done for adopting the trademark of the Respondents.

20. The learned Single Judge also relied upon one additional factor in his grant of an injunction, which was that the goods are in the category of “hush products” and thus a prospective buyer would be unlikely to ask too many questions about the product before purchasing the same. The learned Single Judge relied upon a judgment of the United States Court of Appeals



in *Kotabs v. Kotex Co.*¹⁴ which was dealing with a registered trademark “KOTEX” in respect of sanitary pads has found that given the nature of the product, women would hesitate to make inquiries about the product and its origin and thus cause confusion in the minds of the purchaser of the product. The goods at play in the present case would certainly fall in the category of “hush products”.

21. The Supreme Court in a plethora of judgments has held that although passing off is based on deceit, fraud is not always a necessary element. The reason that a defendant has imitated/adopted a Plaintiff’s mark is not always relevant in an action for passing off. It has been held that in an action for passing off, it is essential to seek a grant of temporary injunction and even the absence of an intention to deceive cannot come in the way of such injunction. It is apposite to refer to the following extract of *Wockhardt Ltd. v. Torrent Pharmaceuticals Ltd. & Anr.*¹⁵ :

“8. We may indicate, at this juncture, that insofar as the second test is concerned, this Court has in a plethora of judgments held that though passing off is, in essence, an action based on deceit, **fraud is not a necessary element of a right of action, and that the defendant's state of mind is wholly irrelevant to the existence of a cause of action for passing off, if otherwise the defendant has imitated or adopted the plaintiff's mark.** We need only state the law from one of our judgments, namely, in *Laxmikant V. Patel v. Chetanbhai Shah* [*Laxmikant V. Patel v. Chetanbhai Shah*, (2002) 3 SCC 65], which reads as under : (SCC p. 73, para 13)

“13. **In an action for passing off it is usual, rather essential, to seek an injunction, temporary or ad interim.** The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a *prima facie* case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction. According to Kerly [*Law of Trade Marks and Trade Names* (12th Edn., Sweet & Maxwell, London 1986).] (*ibid*, para 16.16) passing off cases are often cases of deliberate and intentional

¹⁴ 50 F. 2d 810 (3d Cir.1931)

¹⁵ (2018) 18 SCC 346



*misrepresentation, but it is well settled that fraud is not a necessary element of the right of action, **and the absence of an intention to deceive is not a defence**, though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in *Law of Passing Off* (1995 Edn., at p. 3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing off (ibid, paras 4.20 and 7.15). **As to how the injunction granted by the court would shape depends on the facts and circumstances of each case.** Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name. (Kerly [Law of Trade Marks and Trade Names (12th Edn., Sweet & Maxwell, London 1986).], ibid, para 16.97).””*

[Emphasis is ours]

21.1 The Appellant in the present case has argued that they did not have knowledge of the mark of the Respondents and conducted search and due diligence in the relevant class of Trademark before adopting the same for their product. It is apposite to refer the following extract from McCarthy on Trademarks and Unfair Competition¹⁶ which sets out the cases where the Defendant would carry the burden of explaining the motivation of adopting the mark:

“§ 23:115 Defendant's adoption of mark with full knowledge of plaintiff's mark

Selection of Mark Knowing of the Senior User. Proof that the junior user knew of the senior user's mark at the time the junior user chose its mark has sometimes been relied upon as evidence of bad faith and an intention to confuse customers. However, mere knowledge of a senior user of a mark is not in and of itself persuasive evidence of an intent to confuse. Some courts are willing to infer that selection of a mark knowing of another's use is a signal of an intent to confuse. For example, the Ninth Circuit noted that when defendant selected the mark BLACK & WHITE for its beer, it knew of plaintiff's well-known mark BLACK & WHITE for Scotch whiskey. The court inferred that defendant **must have intended to take advantage of the good**

¹⁶ 4 McCarthy on Trademarks and Unfair Competition, §23:113 (5th ed., 2023) (pp. 512-513)



will and recognition which plaintiff had built up, even though defendant might have done so in a good faith belief that it was not illegal to use the mark on beer:

*We cannot conclude but that (defendant) deliberately adopted the name knowing that BLACK & WHITE was the name and trademark of (plaintiff) and they must have done so with some purpose in mind. The only possible purpose could have been to capitalize upon the popularity of the name chosen. **This possibility, they must have known, would extend to their product because the public would associate the name BLACK & WHITE with something old and reliable and meritorious in the way of an alcoholic beverage.***

*If defendant disclaims knowledge of plaintiff's mark as of the time of defendant's initial use, such a lack of knowledge may lack credibility if plaintiff's mark was famous or widely known. **If a well-known mark has been used in identical format by a junior user, it appears reasonable to require the junior user to carry the burden of explanation as to the motive in selecting this mark.***

[Emphasis is ours]

21.2 The burden of proof of explaining the motivation for adopting the trademark “EVECARE” is on the Appellant, and they would be required to show during the trial whether they adopted the trademark in good faith or whether it was adopted to take advantage of the goodwill of the Respondents. At the *prima facie* stage however it is clear that the Appellant being the ‘Junior User’ of the identical mark carried the burden of explaining the motive in selecting the identical mark, however, no plausible explanation was provided by the Appellant other than as stated above. The position before this Court is the same.

22. It is well settled that it is necessary to restrain the use of deceptive marks not only to protect the rights of the proprietor of the trademark but also to protect the public at large from being misled. At the interim stage and after a detailed analysis, given the nature of the product, the learned Single Judge has found that the marks are deceptively similar.



23. A contention has been raised by the Appellant which was raised before a Coordinate Bench of this Court, that the learned Single Judge has wrongly interpreted the judgment in the ***Kaviraj Pandit*** case and thus the Impugned Order suffers from a manifest irregularity. A Coordinate Bench of this Court on 06.10.2023 dealt with this contention by pointing out that the Impugned Order does not premise itself on the ***Kaviraj Pandit*** case. We agree with the said finding. The Impugned Order discusses several reasons explaining that confusion will be caused and only makes a passing reference to the ***Kaviraj Pandit*** case.

Conclusion

24. Interim relief is usually granted to preserve the rights of parties on a *prima facie* finding, provided that the threshold of the triple test is crossed. The Appellate Court is not required to substitute the exercise of discretion with its own decision against that of the Court granting such relief, unless it is exercised arbitrarily, capriciously or where the Court has ignored the settled principle of law relating to grant or refusal of interlocutory injunctions.

25. In view of the foregoing discussions, we agree with the view taken by the learned Single Judge. On a *prima facie* finding, the mark adopted by the Appellant being identical to that of the Respondents and being used for similar/allied/cognate goods gives an overall impression that the Appellant's mark is passing off as the Respondents' mark. The learned Single Judge after a detailed analysis, as set forth above, granted an order of interim injunction based on the *prima facie* findings which have yet to withstand trial. This Court thus finds no infirmity with the Impugned Order.



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26. The Appeal is accordingly dismissed.

27. It is clarified that the observations made herein are a *prima facie* view and shall not be construed to be a final expression on the merits of this case.

(TARA VITASTA GANJU)
JUDGE

(VIBHU BAKHRU)
JUDGE

OCTOBER 01, 2024/r