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**(1989) 04 AHC CK 0012**  
**In the Allahabad High Court**  
**Case No : F.A.F.O. No. 1137 of 1988**

Anand Biscuit Co.

APPELLANT

Vs

Anand Food Product

RESPONDENT

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**Date of Decision :** 04-04-1989

**Acts Referred:**

Trade and Merchandise Marks Act, 1958 — Section 21, 28, 28(1), 28(2)

**Citation :** (1989) 2 AWC 980

**Hon'ble Judges :** R.K. Gulati, J;K.C. Agrawal, J

**Bench :** Division Bench

**Advocate :** Birendra Dikshit, for the Appellant; P.K. Sinha, Ashok Khare and R.D. Verma, for the Respondent

**Final Decision :** Dismissed

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## Judgement

R.K. Gulati, J.—M/s. Anand Biscuit Company, Kanpur, the Plaintiff-Appellant (hereinafter referred to as "the Plaintiff") instituted a civil suit No. 21 of 1985 in the Court of District Judge, Kanpur against M/s. Anand Food Products, the Defendant-Respondent (hereinafter referred to as "the Defendant") seeking the relief, inter-alia, for a perpetual injunction restraining the Defendant from interfering and using the trade mark "Anand", for actions for passing off, infringement of copyrights and rendition of account etc. Simultaneously with the institution of the suit, the Plaintiff also filed an application for temporary injunction during the pendency of the suit. The IX Additional District Judge, Kanpur by his order dated 18-11-1988 while substituting his earlier ex-parte interim order refused to grant, a temporary injunction in terms prayed for by Plaintiff. The injunction granted by order dt. 18 11-1988 reads as under:

Vadi ka asthai nishedagya ka prarthana patra 16 Ga is shart ke sath swikar kiya jata hai ki prativadi ko vyapar chinha "Anand" evam copy right ka prayog karke apne utpadan biscut evam anya mithe samano ko banakar U.P., Punjab, Haryana evam Rajasthan evam kendra shashit pradesh Delhi me vikraya karne ke bad ke antim nirnay tak nidhisht kiya jata hai. Ek pakshiya antrim adesh dinank 8-1-86

tadanusar sanshodhit kiya jata hai. Prativadi ko apne vikraya ka puma lekha bana kar prastut karne ka nirdesh diya jata hai.

Sd. V.K. Khare

Navam Apar Zila Nyayadhish

Kanpur Nagar

The above order was passed after the Defendant had filed its written statement and its reply to the application for interim relief and on consideration of respective pleadings of the parties, as well as the evidence which had till then been brought on record. Being dissatisfied with the terms of the interim injunction the Plaintiff has come up in this appeal.

2. It is appropriate to note few facts at this stage, which are relevant and have bearing on the decision of this appeal.

3. Both the Plaintiff and the Defendant are engaged in the business of manufacturing biscuits and confectionary. Both of them are dealing in the same or similar kinds of goods and are marketing their products in the name "Anand" The Plaintiff has its head office at Kanpur whereas the head office of the Defendant is located at Hyderabad, in the State of Andhra Pradesh.

4. The plaint allegations are that the Plaintiff is the registered proprietor of the trade mark "Anand" registered in Part-B in accordance with the provisions of the Trade and Merchandise Marks Act, 1958 (for short ;"the Act") under registration No. 293034 dated 12-11-1973. The said registration is confined for the State of U.P., Punjab, Haryana, Rajasthan and the Union Territory of Delhi alone The Plaintiff is also the registered owner of the design of "Anand Biscuit" under the Design Act, 1911, under registration No. 141889 dated 21-5-1974. The Plaintiff is one of the biggest manufacturer of biscuit and confectionary of fine quality and is marketing its products since the year 1956 under the trade mark "Anand" and its products are sold in wrappers/packings of distinctive colour schemes and desings and such wrappers are registered under the provisions of the Copy Right Act 1957, particulars whereof are "Anand Biscuits, Anand Bunbury and Anand Glucose". The products bearing registered trade mark "Anand" are advertised on large and extensive scale by the Plaintiff through various advertising media including the newspaper having circulation throughout the country, and the trade mark "Anand" and the copy right labels/wrappers have become associated exclusively with the product of the Plaintiff and the turnover of sales has increased, year after year, by leaps and bounds, (the details of yea wise sales for certain years have been placed on the records of this appeal). In June 1981, for the first time the Plaintiff learnt that the Defendant had introduced in the market similar products i.e. biscuit and confectionary under the name "Anand" in similar and somewhat identical wrappers as that of the Plaintiff and the Defendant was infringing the registered copy rights of the Plaintiff and passing off its goods as the goods of the Plaintiff. A notice was given to the Defendant on 16-6-1981 who

resorted to the proceedings for rectification under the Act, which terminated by an order dated 8-2-1985 passed by the Registrar, Trade Mark New Delhi, in favour of the Plaintiff. The civil suit aforesaid was thereafter, instituted claiming the relief as set out earlier.

5. In the written statement the Defendant denied the allegations of infringement and passing off. The suit is resisted on the defence amongst other that the registration of the disputed trade mark was limited with regard to its user in the State for which it carried its registration. There is no commercial sale of the Plaintiff's products in the trade mark in question in any other State or Union Territories of India. The Defendant has been extensively manufacturing and selling its products under the mark "Anand" in its own several distinctive registered labels/wrappers continuously openly and uninterruptedly since the year 1979 throughout India except the States and territory in which Plaintiff holds its trade mark registration. The Defendant is also exporting its products under the mark in question to the gulf countries and Africa. It holds independent registration certificate under the Copyright Act for its several distinctive wrappers, unique monogram and trading style. It is wrong to claim that the distinctive wrappers/labels of the Defendant or its mark caused confusion or misleading to the purchasers, as a perusal of the wrappers etc. would disclose that they are entirely different. The order of the Registrar rejecting the rectification proceedings does not confer any additional legal rights to the Plaintiff with regard to the impugned trade mark and in any case, the Plaintiff has admitted to have knowledge of the Defendant's mark since the year 1981 and no plausible explanation had been offered for the delay in instituting the civil suit. The right of concurrent user of the mark "Anand" was also asserted besides the assertion that the Plaintiff had obtained the trade mark in question by misrepresentation.

6. We have heard the learned Counsel for the parties, while assailing the order under appeal it was contended that there was no justification with the trial court to modify its earlier order by which it had restrained the Defendant in absolute terms from using the trade mark and infringing the copyrights. It was contended that the Defendant's mark "Anand" is deceptively similar to the Plaintiffs' registered trade mark and in fact, the mark is exactly the same i.e. "Anand". The Defendant's use of the mark is clearly intended to establish nexus between its own goods and the Plaintiffs. As the Plaintiff's trade mark is registered, it has a good prima facie case and the balance of convenience is in favour of the Plaintiff. It was stressed that the Plaintiff has acquired reputation for its products and as such if the Defendant is permitted to carry on with the use of mark "Anand" its reputation would suffer in the mark. Broadly the arguments on behalf of the Plaintiff were confined to the question of infringement of trade mark and passing off.

7. Having considered the arguments of the Plaintiff and other material on record, we find no justification to interfere with the order under appeal.

8. The action for infringement is a statutory right and depends on the validity of registration and is subject to other restrictions laid down in the Act. This is evident from the provisions of Section 28 of the Act, which speaks of about the rights conferred by registration. Sub-section (1) of Section 28 provides that subject to the other provisions of this Act, the registration of a trade if valid, gives to the registered proprietor of the trade marks exclusive right to the use of the trade mark in relation to goods in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act. Sub-section (2) of Section 28 reads:

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

9. Whether a registration of the trade mark for certain specific territory or State alone would constitute a condition or limitation within the meaning of Section 28(2) of the Act, is a question which is the subject matter of the suit and may require the consideration of the trial court for the decision of the suit pending before it. In making the order under appeal, the trial court had this aspect in its mind as from the order under appeal, it is evident that those provisions were referred and relied upon on behalf of the Defendant before the trial court. It was for this reason it appears to us the trial court in juncted the Defendant from carrying on any business under the trade mark "Anand" in the States where the Plaintiff's trade mark was registered. During the course of hearing we asked the learned Counsel for the Plaintiff whether his client has any business in the territories other than those for which interim injunction was issued and whether evidence, if any, in respect of user in that regard was placed before the trial court when the impugned order was passed. The learned Counsel was unable to give any satisfactory answer to us We may observe that whatever little evidence was referred before the trial court was not found sufficient to make out a prima facie case.

10. It was argued that apart from the registration of 1973, the Plaintiff had another registration of the trade mark "Anand" which was obtained in the year 1959 and the same is valid till date as it has been renewed from time to time. This registration, it was urged, is in respect of some more States not included in the Registration of 1973. This argument, however, does not advance the case of the Plaintiff any further as it is admitted that no relief was sought in the plaint or in the application for temporary injunction as initially filed, on the basis of the alleged registration in the year 1959. It appears that the Plaintiff has already moved the trial court for the amendment of the plaint and for seeking relief on the basis of the registration of the year 1959. That application, it was stated at the bar, is still pending. Thus, we are not concerned with those proceedings in this appeal.

11. Bearing in mind that the trial court was disposing of an application for temporary injunction and it was not expected to express itself more elaborately or categorically on the question stated earlier, and in back-ground of the

contending claims and other relevant factors, the refusal on the part of the trial court to grant temporary injunction viz. infringement in respect of territories or States other than those for which the Plaintiffs trade mark has registration on the basis of registration of the year 1973, was quite justified, the reason being that the question raised by the pleadings, was a debatable one. That apart the trial court has recorded certain other reasonings in support of its order of which we shall make a mention at its appropriate place.

12. It was then argued that in any case the Plaintiff was entitled to the temporary injunction in the terms prayed, for actions for passing off. Now the action for infringement and passing off are closely similar in some respect and the considerations in dealing with the cases of passing off may be overlapping to some extent with those of infringement but the distinction between an infringement action and a passing off action is important and is settled by now. The general principle of law of passing off is that no man is entitled to represent his goods as being those of another. The action for passing off is a common law remedy and its gist is deceit and not infringement of a right to exclusive user. In *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, , it was observed:

While an action for passing off is a Common Law Remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods (vide Section 21 of the Act). The use by the Defendant of the trade mark of the Plaintiff is not essential in an action for passing off, but is the sine-qua-non in the case of an action for infringement.

13. In considering a given case for an action for passing-off, one of the essential tests is whether there is a reasonable probability that the use of the name adopted by the Defendant was likely to mislead the customers of the Plaintiff by reason of similarity of the two trade names. This test was suggested as one of the tests in *Victory Transport Co. Pvt. Ltd., Ghaziabad Vs. The District Judge, Ghaziabad and Others*, by a learned Single Judge of this Court. This element of confusion is essential and its tendency to mislead or confuse is the essence of action of passing-off. In the words of Salmond:

The gist of the conception of passing-off is that the goods are in effect telling a falsehood about themselves, are saying something about themselves, which is calculated to mislead. The law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders.

14. Thus the crux of an action for passing off is that is the Defendants selling goods so marked as to be designed or calculated to lead purchasers to believe

those are the Plaintiff's goods. The Defendant is not entitled to represent his goods as the goods of the Plaintiff. The Supreme Court in *Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co.*, observed "...the gist of a passing-off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get up of B's goods have become distinctive of them and that there is a probability of confusion between them and the goods of A. No case of actual deception nor any actual damage need be proved."

15. The onus in a passing-off action lies on the Plaintiff to establish the existence of the business reputation or goodwill in a relevant mark which he seeks to protect and is likely to suffer on account of passing off.

16. We have seen earlier that although the Plaintiff and Defendants are dealing in similar or similar kind of goods under an identical mark "Anand" but according to the case of the Defendant its field of activity is different from that of the Plaintiff and there is no possibility of the customers being misled into thinking about trade, origin, or source of goods in which the Defendant is dealing. The finding of the trial court in the order under appeal is also to the same effect namely that the Defendant is doing its business with good intention and bona fide since the year 1979 under its trade mark "Anand" and that business is confined to the State of Andhra Pradesh and other southern States besides exports to some gulf and African countries. Another finding is that the Defendant had been advertising for its products and marks and was spending money over it. Further, the registered wrappers and labels of the Defendant, so also the writing style of the mark "Anand" on the first sight appears to be different and distinct from that of the Plaintiff which are not likely to cause any confusion or misleading about the goods of the Defendant to the purchasers thereof as that being of the Plaintiff.

17. On the question that grant of an interim injunction may not be justified where the business activity of the two rivals is directed in different geographical area, having no business competition in common market because they operate in different areas, the learned Counsel for the Respondent brought to our notice a decision of the High Court of Justice Chancery Division in *Evana v. Eradicure Limited* 1972 RPC 808. The facts of that case are in close proximity with the case in hand, and the prayer for interlocutory relief was refused in that case. There also the Plaintiff and the Defendant carried on similar businesses as wood preservation experts, the Plaintiff under the name "Eradicare" and the Defendant under the "Eradicure". The business operations of the two were in different areas. It was a common ground that names were so similar that when are used in the same place confusion was at least likely. It was found that in some respects the Plaintiff had acquired a reputation with respect to the name he sought to protect. Equally there was evidence that the Defendants had acquired reputation of their trade name in the area in which they operated. In that state of affairs, the court pointed out that if it were to grant relief at all, it would have been a limited and considerably less wide than the claim in the notice of motion,

but, the question was whether it was case for granting interlocutory relief. It was observed that the dispute was not merely whether on the facts Defendants were infringing the Plaintiff's rights, but, first whether the Plaintiff had good right in law and secondly, of course, whether it is being infringed and in that situation there was a heavy onus upon the Plaintiff in regard of prima facie case that he has to establish of correctness in law. In refusing the interim relief it was observed as under:

...It is a novel problem, where the Plaintiff acquires a reputation in a limited area and at the same time another person is acquiring a like reputation in a nearby area, whether when they come to clash the Plaintiff in those circumstances has any remedy against that Defendant at all. It may be that he has, although logically it would seem, if the Plaintiff is right, that the Defendant would then be restrained altogether, and yet that would hardly appear to be a correct conclusion and certainly is not what the Plaintiff seeks by way of interlocutory relief. It may well be that the answer is in such circumstances that there is a stalemate and, unless the parties can resolve the matter by agreement neither he can obtain relief against the other and each may take the name which he has used and in respect of which he has acquired the reputation into the alleged territory of the other. When it comes to the trial, the court will have to consider analogies of the use by the person of his own name, analogies of conflicting rights and so forth, but this is a novel question and certainly not a situation in which in my view the Plaintiff can say he has shown a strong prima facie case that he is right in law. I do not say, of course, that he will not proceed at the trial, but he has not in my view discharged the onus upon him that has to discharge in order to obtain interlocutory relief.

18. The above decisions fully support the case of the Defendant in view of the facts found in the order under appeal and the findings recorded in that behalf by the trial court.

In a suit for injunction for passing-off, when an application for interim relief is made, the surrounding circumstances of each case will have to be considered. It is for the court alone to decide whether there is a possibility of deception. Where on a tentative view the court is of the opinion that there is no likelihood of deception or deceptive resemblance or the probability of deception is not established or where the evidence of the Plaintiff to the claim made is light, the court, on the facts of a given case, in our opinion, would be justified in ordering that status-quo will be maintained unless some urgency is shown. Any reluctance or a judicial restraint on the part of the court, if so warranted by the facts of the case, cannot be lightly interfered with. The court has necessarily to bear in mind every pros and cons of the case before granting an application for interim injunction in absolute terms. This is so because by nature of the legislation in such cases, the repercussions are bound to be serious. In the case of Victory Transport Co. (P) Ltd. (supra), it was observed:

...Courts have rightly emphasized that the court shall insist on a very high

standard of proof before it would grant injunction in favour of Plaintiff, in view of the seriousness of the repercussion which such an injunction is bound to have on the rights of the Defendant. The injunction prayed for in such cases prohibits the Defendants altogether from carrying on their existing business under a trade name adopted by it at the instance of the Plaintiff whose claim is founded on no more than such illusive concepts as "reputation" or good-will and so forth...In passing off actions however, the Plaintiff has to prove further that this trade name has by reputation and use, come to acquire a secondary meaning indicating distinctiveness and quality of the business being carried on by him.

19. In the counter affidavit filed in opposition to the stay application in this appeal, the Defendant has asserted that it has standing orders for export of his products to various gulf and African countries as also, in other parts of the country itself excluding the States and the Union Territory of Delhi where the Plaintiff does not carry any business. The grant of interim relief in any other form than already granted by the order under appeal would result in irreparable loss to the Defendant.

20. In order that the Plaintiff may succeed, it is necessary to show that the discretionary order passed by the trial court in granting an interim relief in a restricted form, it has committed an apparent error or has acted perversely or in exercising its judicial discretion it has not taken into consideration the entire material on record. It is well known that a discretionary order like the one with which we are concerned, cannot be lightly interfered with by the appellate court merely on the ground that another view may also be possible. No infirmity or patent illegality was shown to us in the order under appeal, which may justify interference by this Court. The same is based on relevant consideration.

21. The trial court has also examined the case from two other angles. The first is the delay and laches and the other balance of convenience. As regards the delay the trial court took note of the fact that the Plaintiff had come to know of the infringement, if any, in June, 1981, and for good four and half a year no suit was filed for which no justifiable reason was given. Perhaps the delay may not amount to acquiescence but certainly it would be a relevant consideration to refuse an interim relief, if the Plaintiff has delayed and has not shown promptness as well as diligence in bringing the action until the Defendant has built up a business in which he has notoriously used the mark or copyright complained of. The trial court was quite justified in taking the question of delay into consideration while modifying its earlier exparte interim order.

22. About the balance of convenience, it has been found that in the event the Plaintiff ultimately succeed at the trial, it can adequately be compensated for the loss, if any, in terms of money. It is not disputed before us that the grant of interlocutory injunction was required to be considered in terms of Order 39 of the Civil Procedure Code, the essential ingredients being : prima facie case, balance of convenience and irreparable injury which can not be compensated in terms of money. Even if a prima facie case is made out, the balance of convenience and

irreparable injury are necessary to exist before an interim injunction could be granted. No such relief can be granted unless all the three essential ingredients, stated earlier, are made out. If the injury is such which can be compensated by way of damages it can not be regarded as irreparable injury. In such an eventuality the interim injunction sought by a party may well be refused with a justification. This is what the trial court has said in the instant case and has directed the Defendant to file the statement of sales and its accounts which in our opinion is sufficient to protect the interest of the Plaintiff in the event it ultimately succeeds at the trial.

23. For what has been said above, there is no merit in this appeal, which is dismissed with costs.