
(2011) 08 CAL CK 0107

In the Calcutta High Court

Case No : A.P.O. No. 308 of 2010 C.S. No. 252 of 2009 and A.P.O. No. 351 of 2010 C.S. No. 252 of 2009

Anil Gupta Trading As M/s. Shiva Lamps Industries

APPELLANT

Vs

Eveready Industries India Ltd.

RESPONDENT

Date of Decision : 25-08-2011

Acts Referred:

Trade Marks Act, 1999 — Section 134, 142, 15, 17, 17(1)

Citation : (2012) 49 PTC 551

Hon'ble Judges : Shukla Kabir (Sinha), J; Pinaki Chandra Ghose, J

Bench : Division Bench

Advocate : Goutam Banerjee and Mr. Shomok Mitra, Neeraj Grover, Mr. Sayantan Basu and Mr. Sourabh Maitra, for the Appellant; Ranjan Bachawt, Mr. Debnath Ghosh, Prithwiraj Sinha, Mr. Goutam Banerjee and Mr. Shomok Mitra, for the Respondent

Final Decision : Dismissed

Judgement

Pinaki Chandra Ghose, J.—This appeal is directed against an order dated 21st June, 2010 passed by the Hon'ble Single Judge when His Lordship was pleased to grant an order of injunction in favour of the plaintiff (Eveready Industries India Ltd.). It appears that the plaintiff Eveready Industries India Ltd. filed a suit in this Court and in the said suit an interlocutory application was filed inter alia praying for following orders: --

(a) Injunction restraining the Respondent, his men, servants, dealers, agents, employees and assigns from infringing the petitioner's registered trademark "Eveready" by manufacturing and/or selling and/or otherwise dealing in products under the mark "Eveready" or any other mark or marks which is deceptively similar to and/or identical with and/or fraudulent imitation of the petitioner's said registered trademark "Eveready".

(b) Injunction restraining the Respondent, his men, servants, dealers, agents, employees and assigns from infringing the petitioner's copyright subsisting in

the artistic style of representation of the Trademark "EVEREADY" as shown in Annexure "b" hereto by representing the impugned mark "EVEREADY" in the styles of representation or any of them as shown in Annexure "G" hereto or by using any other style of representation which is deceptively similar to and/or identical with an/or fraudulent imitation of the Petitioner's said style of representation.

(c) Injunction restraining the Respondent, his men, servants, dealers, agents, employees and assigns from using and/or utilizing Petitioner's registered trademark "EVEREADY" and/or Petitioner's artistic style of representation as shown in Annexure "B" hereto by selling and/or manufacturing and/or dealing in any product under the mark "EVEREADY" in the impugned styles of representation or any of them as shown in Annexure "G" hereto or under any other mark or marks and/or style of representation which is/are identical with and/or fraudulent imitation of and/or deceptively similar to the Plaintiffs mark "EVEREADY" and/or the Petitioner's said style of representation.

(d) Injunction restraining the Respondent, his men, servants, dealers, agents, employees and assigns from passing off its products as that of the Plaintiff by selling and/or manufacturing and/or dealing in any product under the mark "EVEREADY" and/or the impugned styles of representation or any of them as shown in Annexure "G" hereto or any other mark and/or style of representation which is identical with and/or deceptively similar to and/or fraudulent imitation of the Plaintiffs trademark "EVEREADY" and/or the style of representation of the Plaintiff as shown in Annexure "B" hereto.

(e) Ad-interim orders in terms of prayers (a) to (d) as above. (f) Costs incidental to this application to be borne by the Respondents.

(g) Such further and/or other orders.

His Lordship was pleased to pass an order of injunction and held that the order of injunction in respect of infringement will not be effective so far as the States of Haryana, Delhi, Uttar Pradesh, Rajasthan and Gujarat; are concerned.

2. Being aggrieved and dissatisfied with the said order of injunction the appellant/defendant has filed this appeal.

3. The facts of the case briefly are as follows:-

It is the case of the appellant that its predecessors in interest were using the Trademark "EVEREADY" in respect of GLS Bulbs since 1983. The appellant on and from 1989 had been using the said Trademark "EVEREADY". In or about 1988-89 M/s. Shiva Electricals was dissolved and the business activities of the said firm including the use of the trademark "EVEREADY" in relation to GLS Lamps were continued by Anil Kumar Gupta, appellant/defendant under the name and style of his proprietorship concern M/s. Shiva Lamps Industries. On 9th February, 1993 an application was filed by the appellant with the Registrar of Trade Marks, New Delhi for the registration of the said Trademark "EVEREADY" in class 11 under

application No. 590383 in respect of GLS Lamps for sale in Haryana, Delhi, Uttar Pradesh, Rajasthan and Gujarat. The appellant duly issued caution notice with regard to the said Trademark in a leading Newspaper claiming its rights in the Trademark "EVEREADY" in respect of GLS Lamps.

4. The plaintiff/respondent on 27th April, 1998 issued a notice to the appellant/defendant which was duly replied by a letter dated 25th May, 1998 by the appellant/defendant disclosing its pending registration of the Trademark "EVEREADY" and called upon the respondent to cease and desist from using the Trademark "Eveready Lights". On 25th February, 2009 the respondent applied for the registration of Trademark "EVEREADY" under No. 1789552 in respect of several goods including GLS Bulbs. The appellant applied for rectification of respondent's label Trademark under No. 214351 in Class 11 which was subsisting in respect of a broad classification of despite non-use on the part of the respondent in respect of many goods covered by the registration. The appellant received a notice of the rectification petition filed by the respondent seeking cancellation of the Registered Trademark under No. 590383 subsisting in the name of the appellant. The plaintiff/respondent on 2nd September, 2009 instituted a suit for perpetual injunction before this Hon"ble Court. In the said suit an interlocutory application was filed before the Hon"ble Single Judge and on 4th September, 2009 where His Lordship was pleased to pass an injunction in terms of prayers (c) and (d) of the notice of motion. An application for vacating the interim order was filed by the appellant on 14th September, 2009, seeking revocation of leave granted under Clause 12 of the Letters Patent. On 15th September, 2009 the order dated 4th September, 2009 was varied by the Court and the defendant was allowed to sell goods under the Trademark "EVEREADY" in five other States. On 19th February, 2010 an application which was filed by the respondent for stay of appellant's registration under No. 590383 was dismissed by the Intellectual Property Appellate Board.

5. On 21st June, 2010 the Hon"ble Single Judge was pleased to dispose of the pending G.A. No. 2415 of 2009 and G.A. No. 2564 of 2009 filed by the parties and an order of injunction was passed by the Court in terms of prayer (d) of the injunction application so filed by the respondent.

6. Now it is necessary for us to narrate the facts of the plaintiff/respondent which was made out by them and the facts revealed that the plaintiff/respondent was incorporated in the year 1905 and adopted its corporate name "Eveready Company (India) Ltd." on 20th June, 1934 and registered its trademark "EVEREADY" which relates to electric lamps on or before 20th October, 1942. The plaintiff/respondent had also obtained several other registration of the mark "EVEREADY" in classes 5, 9, 11 and 30 and the said mark is valid and still subsisting. The word "EVEREADY" has also been registered in favour of the plaintiff/respondent which would be evident from the document annexed to the Paper Book appearing at pages 127, 131, 138, 150, 151, 152, 153, 168, 169, 170 and 172 of A.P.O. No. 351 of 2010.

7. It is the case of the plaintiff/respondent herein that the said mark "EVEREADY" has been continuously and extensively used by the plaintiff and in view of such extensive and prolonged use of the mark "EVEREADY", the same has acquired a status of well known Trademark u/s 2(z)(b) of the Trademarks Act, 1999. The case of the plaintiff/respondent is that the said mark "EVEREADY" is a well known Trademark which would be evident from the annual sales figure and advertisement expenses of the plaintiff from 1971 to 2008-09 which are set out in paragraphs 15 and 16 of the plaint.

8. The plaintiff, in the year 1998, came across bulbs bearing the mark "EVEREADY" manufactured by the appellant. The plaintiff/respondent immediately issued a cease and desist notice dated 27th April, 1998. Thereafter the plaintiff could not find the product of the defendant bearing the mark "EVEREADY".

9. The plaintiff/respondent again in the year 2009 found the bulbs manufactured by the defendant under the mark "EVEREADY" were being sold and had lodged a complaint with the Police Authorities and a search was conducted on 13th February, 2009 when counterfeit bulbs and lamps manufactured by the defendant bearing the mark "EVEREADY" were found at its factory premises. In course of the said investigation the appellant contended that the appellant/defendant filed and obtained registration of the mark "EVEREADY" in Class 11. Prior thereto, the plaintiff/respondent had no knowledge of such registration obtained by the defendant. In view of the said registration so obtained by the defendant the Police Authority did not take any steps against the defendant/appellant.

10. It is further the case of the plaintiff/respondent that significantly there is no user statement in the registration certificate relied by the appellant. It is the case of the plaintiff/respondent as a counter blast to the criminal action taken by the plaintiff that the defendant had filed a suit in the year 2009 against the plaintiff. u/s 142 of the Trademarks Act, 1999 and an application for interim injunction was moved before the Additional District and Sessions Judge, Tees Hazari Court at Delhi and an application for interim injunction was also moved by the appellant, but no interim order had been passed.

11. The plaintiff/respondent thereafter has applied for rectification of the registration obtained by the appellant/defendant in respect of the Trademark "EVEREADY" before the Intellectual Property Appellate Board and the said registration has been wrongfully obtained by the respondent/plaintiff and by suppression of material facts.

12. Learned Advocate appearing on behalf of the appellant contended that this Court has no jurisdiction to entertain the application and he relied on a decision of Kusum Ingots and Alloys Ltd. Vs. Union of India (UOI) and Another, where the Supreme Court held that even if a small or insignificant part of cause of action accrues within the jurisdiction of a High Court, the same cannot compel the High

Court to decide the matter on merits. In appropriate cases, the High Court may invoke doctrine of forum convenience and return the matter to be adjudicated by Court of appropriate Jurisdiction.

13. Reliance was also placed by the appellant/defendant on *Dhodha House Vs. S.K. Maingi*, ; *Gold Seal Engineering Product Pvt. Ltd. and others Vs. Hindustan Manufacturers and others*, ; "*Haryana Milk Foods Ltd. v. Chambel Dairy Products*" reported in 2002 (25) PTC 156 (Del) and *Perfetti Van Melle SPA and Another Vs. Shankarlal Dhingra and Others* and submitted that when the defendant did not have any place of business within the jurisdiction mere filling of some receipts will not entitle the plaintiff to claim jurisdiction and learned Advocate appearing on behalf of the appellant further submitted that those cases would show that if the goods were being sold within the jurisdiction of the Court in a clandestine manner will not clothe the Court with territorial jurisdiction.

14. In support of his such contention he relied upon the decisions of *Kensoft Infotech Ltd. Vs. R.S. Krishnaswami and Others*, ; "*St. Ives laboratories Inc. v. Arif Perfumers & Anr.*" reported in 2009 (40) FTC 104 (Del) ; of *Himachal Pradesh Horticulture Produce Marketing and Processing Corporation Ltd. Vs. Mohan Meakin Breweries Limited*, ; "*Glen Raven Mills Inc v. Vaspar Concepts P. Ltd.*" reported in 1995 PTC (15) 392 (Del). The said decisions were also cited on the question that Courts in appropriate cases may refuse to exercise its jurisdiction by invoking doctrine of convenience where the proceedings are in a forum which is oppressive or vexatious to the defendant/appellant herein or in a forum of non-convenience. He further contended that the Courts would get jurisdiction in a passing off matter, if it is proved that the sale was made by the defendant to distributor or wholesaler or retailer and the transaction is in the nature of a commercial one.

15. He further contended that a Civil Court can test the prima facie validity of the plaintiffs registration while deciding an application for injunction in an infringement suit and held that the registration to prima facie is invalid and thus 10 can refuse injunction. He placed reliance on "*Marico Ltd. v. Agro Tech Foods Ltd.*" reported in 169 (2010) DLT 325. He pointed out that the said decision has been upheld by the Division Bench of Delhi High Court.

16. He drew our attention to *Vishnudas Trading as Vishnudas Kishandas Vs. Vazir Sultan Tobacco Co. Ltd., Hyderabad and another*, and submitted that in the instant case when the plaintiff/respondent admittedly did not use the mark "EVEREADY" in relation to GLS Lamps although the said mark was registered. The Court has power to declare the same invalid. He further contended that the marks have to be compared as a whole and he relied on Section 17 (1) of the Trademarks Act, 1999 on the decision of *Three-N-Products Private Limited Vs. Emami Limited*, .

17. He also contended that the acquiescence and delay has to be taken into account in passing off matter and he relied upon a decision of *Paresh Chandra*

Saha Vs. Prakash Chandra Das and Another, and Kerala Jewellers, Madras v. Kerala Jewellers, Trichy" reported in PTC (Suppl) (1) 681 (Mad).

18. He submitted that in the instant case the plaintiff/respondent did not take any action against the appellant for a long time to debar the plaintiff to get any order after such delay and reliance was placed on "Gopal Hosier v. The Dy. Registration of Trade Marks & Ors." reported in AIR 1981 Calcutta 53 ; Shri Gopal Engg. and Chemical Works Vs. M/s. POMX Laboratory, and "Veerumal Praveen Kumar v. Needle Industries India Ltd." reported in 2001 PTC 889 (Del) (DB).

19. Reliance was also placed on Honda Giken Kogyo Kabushiki Kaisha Vs. TVS Motor Co. Ltd. and Others, ; Uniply Industries Ltd. Vs. Unicorn Plywood Pvt. Ltd. and Others, ; Three-N-Products Private Limited Vs. Manchanda Enterprises and Another, : Dalpat Kumar and another Vs. Prahlad Singh and others, ; "Parle Products Ltd. v. Bakemans Industries Ltd." reported in 1998 PTC (18) (Mad) ; Shiv Kumar Chadha and Others Vs. Municipal Corporation of Delhi and Others, and he also submitted that the balance of convenience has to be considered at the time of passing off injunction order after taking into account that who will suffer more and after owing such convenience the Court should pass an order of injunction in the matter.

20. In the case of "M/s Bawa Masala Co. v. M/s Gulzari Lal Lajpat Rai" reported in 1975 DLT (Vol-XI) 270: PTC (Suppl)(1) 361(Del)(DB) the Full Bench of the Delhi High Court held that in a passing off action, the evidence of persons, who have been deceived, must be placed on record. Such principle becomes more relevant in the proceedings of present nature where admittedly the defendant has been using the trademark over 27 years.

21. Learned Advocate appearing on behalf of the appellant/defendant submitted that the plaintiff had knowledge of user of the mark "EVEREADY" by the appellant since 1998 but did not take any action till 2009 and as such the suit is hit by principles of delay and acquiescence and disentitling the plaintiff to get any order of injunction.

22. Per contra, Mr. Ranjan Bachawat, learned Advocate appearing on behalf of the plaintiff/respondent submitted that the plaintiff/respondent is prior adopter and the user of the mark "EVEREADY" and the said mark has been used and adopted by the plaintiff/respondent since 20th June, 1934 and the plaintiff's application for registration is on 20th October, 1942. Admittedly the appellant/defendant has claimed user of the mark "EVEREADY" since 1989. Therefore, the plaintiff/respondent is the prior adopter and user of the said mark and is entitled to restrain the appellant/defendant from using the trademark on the basis of prior use of the mark "EVEREADY".

23. Mr. Bachawat contended that prior user of the trademark shall always prevail and to secure an order of injunction in a passing off action prior registration is irrelevant. In support of his contention reliance was placed on decisions of Milmet Oftho Industries and Others Vs. Allergan Inc., ; Heinz Italia and Another Vs.

Dabur India Ltd., and Century Traders Vs. Roshan Lal Duggar Co., and contended that delay cannot be disentitled from obtaining an order of injunction. His further contention is that the Division Bench of this Court has also expressed the same opinion in the case of Pratyush Kumar Jana & Anr. v. New Howrah Bakery (Bapuji) Pvt. Ltd., 2009 (40) PTC 442.

24. He also contended that once the appellant has been put on notice that the use of the mark by the appellant constitutes an act of passing off and/or infringement no surprise could have been caused to the appellant by the order of injunction. After receipt of the notice the use of the conflicting mark by the appellant is wrongful and the appellant cannot claim equity for the same.

25. He further submitted that the prior user is a superior right than registration of Trademark. Admittedly, the plaintiff/respondent is the prior user of the Trademark "EVEREADY" as it has been continuously using the said mark since 1934. Admittedly the appellant/defendant is using the mark "EVEREADY" much after the said mark is used by the plaintiff/respondent. The true test is "who gets first"? The answer is if two rival traders are using the same mark, in that case prior user would succeed (See Satyam Infoway Ltd. Vs. Sifynet Solutions Pvt. Ltd.,). Similar view has been taken by the Division Bench of this Hon'ble Court in Pankaj Jaiswal & Anr. v. Virendra Prasad Jaiswal & Ors., 2007 (35) PTC 761.

26. He also relied on N.R. Dongre and Others Vs. Whirlpool Corpn. and Another, (SO where the Apex Court held that the provisions of the Act including those for registration do not affect rights of action against any person for passing off goods as the goods of another or the remedies in respect thereof. Thus in an action for passing off the defendant/appellant cannot plead that the mark he is using, which has resulted in passing off, is registered. This would appear to follow from the use of words "subject to the other provisions of the Act" in the opening part of Section 28(1) defining the rights conferred by registration. The "other provisions of the Act" would obviously include Section 27(2) dealing with the rights of action for passing off. Section 27(2) overrides the provisions of Section 28.

27. He further relied upon the decision of Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others, of the said judgment the Supreme Court held that the purpose of the Trademark is to establish a connection between the goods and the source thereof which would suggest the quality of the goods. There can be only one mark, one source, one proprietor. The right to use a Trademark cannot have two origins. Two people are not entitled to use said Trademark save and except under an express licence. Hence, the appellant's cannot use the mark in any manner whatsoever.

28. He further submitted that the defendant is using the same stylized representation as that of the plaintiff and the said fact would be evident from the documents filed by the defendant in the Tis Hazari Court Delhi. In any event, "EVEREADY" is the principal trademark and the corporate name of the plaintiff

and cannot be appropriated by the appellant alleging that a label only has been registered and not the word "EVEREADY". Such contention is erroneous in view of the ratio of Ramdev's case (supra) page 726. The legal implication of Sections 15 and 17 of the Trademarks Act, 1999 has been discussed in the said decision and contended that registration of a label gives right to use the label as a whole and not the name in the said label has been negated. The Hon'ble Supreme Court has quoted the definition of mark and has opined the same includes names, signatures etc.

29. According to Mr. Bachawat, the similarity of goods of the rival traders is not an essential requisite for maintaining an action for passing off to hold that the reputation of the trademark shall remain restricted to those goods and services only in which proprietor is directly engaged. Such approach ignores the ground realities of today's business. He also relied upon the decision of Sony Kaburhiki Kaisha v. Mahaluxmi Textile Mills, 2009 (41) PTC 184 Cat FB.

30. He further drew our attention to the averments of the plaint, in particular, paragraph 34 of the plaint and it has been averred in the said paragraph that the bulbs of the respondents under the mark "EVEREADY" are being sold from 1, Kapalitolla Lane, Kolkata 700012, within the jurisdiction of this Hon'ble Court and the said goods have been passed off as the products of the plaintiff within the jurisdiction of this Court. In support of such averment, the plaintiff has annexed a receipts of purchase of the bulbs manufactured by the defendant under the mark "EVEREADY" obtained from the said address and copies of such packets under which the bulbs of the defendant were sold, have been annexed to the injunction application.

31. We have noticed that the plaintiff/respondent has been instituted the instant suit for infringement and passing off the goods by the defendant/appellant under the Trademark "EVEREADY" upon obtaining leave under Clause 12 of the Letters Patent in this Hon'ble Court. The said leave so obtained by the plaintiff has not been revoked. Clause 12 of the Letters Patent applies to the original jurisdiction. of this Hon'ble Court and empowers it to receive, try and determine suits. Its cause of action has arisen either wholly or in part arises within its local limits of jurisdiction. It has been specifically averred in paragraph 34 of the plaint that the goods of the defendant bearing the conflicting mark are being sold at No. 1 Kapalitola Lane, Kolkata 700012.

32. Further, the plaintiffs has its registered office at No. 1, Middleton Row, Calcutta 700071 and any sale by the defendant/appellant beyond the said five States as mentioned hereinbefore constitutes an act of infringement under Sections 28 and 29 of the Trademarks Act, 1999. The plaintiff/respondent, being the registered proprietor is entitled file proceedings to restrain infringement of its registered Trademark within the territorial limit of the Court where it carries on business u/s 134 of the Trademarks/Act, 1999. The plaintiff, being the dominous litus, has the choice of the forum to institute proceedings to protect its Trademark and the plea of forum shopping and jurisdiction raised by the

defendant, is also not acceptable.

33. It is further submitted that the order under appeal does not call for any interference and use of the mark "EVEREADY" by the appellant constitutes infringement and passing off and once a case of passing off is made out, the practice is to grant prompt order of injunction. If the defendant has purported to use and adopt the Trademark of the plaintiff, it is rather usual to apply for injunction to restrain the defendant from using the conflicting mark in the case of Laxmikant V. Patel Vs. Chetanbhat Shah and Another, .

34. After hearing the parties at a length, we can summarize the facts of this case which are as follows:-

(a) The appellant has claimed that their predecessor in interest has been using the Trademark "EVEREADY" in respect of GLS Bulbs since 1983 and thereafter it has been used by the appellant from 1989. The appellant has obtained registration of the said mark in respect of GLS Lamps in 5 states (Haryana, Delhi, Uttar Pradesh, Rajasthan and Gujrat). The respondent 18 had knowledge of user of the said mark by the appellant since 1998 as cease and desist notice had been issued by the plaintiff on 27th April, 1998 but no action was taken till 2009.

(b) Since registration of the mark "EVEREADY" in respect of GLS Lamps in 5 states so obtained by the appellant, there is no case of infringement against the appellant in said 5 states and, therefore, the appellant cannot be restrained from using the said mark in 5 States.

(c) The stylized representation of the mark "EVEREADY" used by the plaintiff respondent and the appellant are different and as such there is no likelihood of confusion and deception among the purchasing public.

(d) The goods of the appellant and the plaintiff are different and as such no likelihood or confusion or deception.

(e) The Hon'ble Court has no territorial jurisdiction to try or entertain the instant suit as the products of the appellant are not sold within the jurisdiction of this Court.

(f) The plaintiff respondent is the prior adopter and the user of the mark "EVEREADY" since 20th June, 1934. The application of the plaintiff respondent for registration dates back to 20th October, 1942. Admittedly, the defendant/appellant has claimed user of the mark "EVEREADY" since 1989. Hence, the case of the plaintiff/respondent is the prior adopter and the user of the said mark, therefore, is entitled to restrain the appellant from using the trademark on the basis of prior use of the said mark.

(g) It is further the case of the plaintiff/respondent that the appellant has been put on notice that the use of the said mark by the appellant constitutes an act of passing and/or infringement no surprise could have been caused to the appellant by the order of injunction. After receipt of the notice the use of the said mark by

the appellant is wrongful and the appellant can not claim equity for the same,

(h) It is the case of the plaintiff/respondent that prior user is a superior right than registration of trademark. Admittedly the plaintiff/respondent is the prior user of the trademark "Eveready" since 1934. Therefore, the appellant's use of the mark being subsequent to the plaintiff should not be permitted.

(i) It is further the case of the plaintiff/respondent that the appellant is using the same stylized representation as that of the plaintiff/respondent which would be evident from the documents filed by the appellant in Tees Hazari Court Delhi. It is submitted that "Eveready" is the principal trademark and the corporate name of the plaintiff/respondent and cannot be appropriated by the appellant alleging that a label only has been registered and not the word "EVEREADY".

(j) It is further submitted that similarity of goods of the rival traders is not an essential requisite for maintaining an action for passing off to hold that the reputation of the trademark remain restricted to those goods and services only in which proprietor is directly engaged. It is also stated that a highly distinctive trademark is applied to a class of goods which its proprietor does not deal with, consumers may always wonder as to whether the proprietor of the said mark has launched a new product.

(k) The plaintiff/respondent has been instituted the instant suit for infringement and passing off the goods by the defendant under the trademark "EVEREADY" upon obtaining leave under Clause 12 of the Letters Patent in this Hon'ble Court. The said leave so obtained by the plaintiff/respondent has not been revoked. It has been specifically averred in paragraph 34 of the plaint that the goods of the defendant bearing the conflicting mark are being sold at No. 1 Kapallitala Lane, Kolkata 700012 within the jurisdiction of this High Court. Further the plaintiff/respondent has its registered office at No. 1, Middleton Row, Calcutta 700071 and any sale by the defendant beyond the said 5 states as mentioned hereinbefore constitutes an act of infringement u/s 28 and 29 of the Trademarks Act, 1999. Since the plaintiff/respondent is a registered proprietor is entitled to file proceedings to restrain infringement of its registered trademark within the territorial limit of the Court where it carries on business u/s 134 of the Trademarks Act, 1999.

35. On those facts the Hon'ble Single Judge was pleased to pass the order in terms of prayer (a) which is set out hereunder:-

Prayer (a): Injunction restraining the Respondent, his men, servants, dealers, agents, employees and assigns from infringing the Petitioner's registered trademark "Eveready" by manufacturing and for selling and/or otherwise dealing in products under the mark "Eveready" or any other mark or marks which is deceptively similar to and/or identical with and for fraudulent limitation of the Petitioner's said registered trademark "Eveready".

36. His Lordship further stated that the said order will not be effective so far as

the States of Haryana, Delhi, Uttar Pradesh, Rajasthan and Gujarat are concerned. His Lordship was further pleased to pass an order in terms of prayer (d) which is set out hereunder:-

Prayer (d): Injunction restraining the Respondent, his men, servants, dealers, agents, employees and assigns from passing off its products as that of the plaintiff by selling and for manufacturing and / or dealing in any product under the mark "Eveready" and / or the impugned styles of representation or any of them as shown in Annexure "G" hereto or any other mark and /or style of representation which is identical with and/or deceptively similar to and/or fraudulent imitation of the Plaintiffs trademark "Eveready" and /or the style of representation of the Plaintiff as shown in Annexure "B" hereto.

37. We have analysed the decisions cited before us at the Bar. We have noticed in Milmet Oftho Industries and Others Vs. Allergan Inc., where the Supreme Court held as follows:-

We are in full agreement with what has been laid down by this court. Whilst considering the possibility of likelihood of deception or confusion, in present times and particularly in the field of medicine, the courts must also keep in mind the fact that nowadays the field of medicine is of an international character. The court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the applicant in India and the user by the overseas company. The court must ensure that public interest is in no way imperiled. Doctors, particularly, eminent doctors, medical practitioners and persons or companies connected with the medical field keep abreast of latest developments in medicine and preparations, worldwide. Medical literature is freely available in this country. Doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures, etc. It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However, one note of caution must be expressed. Multinational corporations, which have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian company by not permitting it to sell a product in India, if the Indian company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be, who is first in the market.

38. The Apex Court further held as follows:-

In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the respondents have not been using the mark in India would be irrelevant if they were first in the world market.

The Division Bench had relied upon material which prima facie shows that the respondents' product was advertised before the appellants entered the field. On the basis of that material the Division Bench has concluded that the respondents were first to adopt the mark. If that be so, then no fault can be found with the conclusion drawn by the Division Bench.

39. After applying such principle it appears to us that prima facie it shows that the respondent's product was entered into the field before the appellant's product. Admittedly it appears to us that the respondents were first to adopt the mark. Therefore, there cannot be any doubt to hold that the plaintiff/respondent is the prior user of the mark "EVEREADY". The mere fact that the respondents have not been using the mark in the States would be irrelevant if they were first in the world market. Therefore, we hold that the Hon'ble First Court has correctly found that the plaintiff/respondent has a right over the said mark and the order of injunction, which has been passed by His Lordship in any event, cannot be interfered with in the given facts.

40. In *Indian Mineral and Chemicals Co. and Others Vs. Deutsche Bank*, where the Supreme Court held that the assertions in the plaint must be assumed to be true for the purpose of determining whether leave is liable to be revoked. In the instant case, no application has been filed for revocation of leave and it further appears to us that after obtaining the leave under Clause 12 of the Letters Patent, the suit has been filed in this High Court. (See also *Abdulla Bin Ali and Others Vs. Galappa and Others*, ; 1982 (3) SCC 487 and AIR 1982 Calcutta 333)

41. In *Heinz Italia and Another Vs. Dabur India Ltd.*, the Supreme Court held that in an action for passing off, the plaintiff has to establish prior user to secure an injunction and the registration of the mark or similar mark in point of time is irrelevant. Modern tort of passing off has five elements i.e. (1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his, or (4) ultimate consumers of goods or (5) services supplied by him.

42. The Supreme Court further held as follows:-

We have also considered the arguments with regard to the prior user of the trade mark "Glucon-D" and the specific packaging. It is the admitted case that the term "Glucose-D" has been used by the respondent from the year 1989 and that the packaging which is the subject-matter of dispute in the present suit has been in use from the year 2000. In *Century Traders* it has been held that in an action for passing off, the plaintiff has to establish prior user to secure an injunction and that the registration of the mark or similar mark in point of time, is irrelevant. This Court in *Cadila Health Care* case also laid down the tests in the case of passing off and observed as under: (SCC p. 80, para 10).

In other words in the case of unregistered trade marks, a passing-off action is maintainable. The passing-off action depends upon the principle that nobody has a right to represent his goods as the goods of somebody. In other words a man is

not to sell his goods or services under the pretence that they are those of another person. As per Lord Diplock in *Erven Warnink BV v. J. Townend & Sons* the modern tort of passing off has five elements i.e. (1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence), and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a *quia timet* action) will probably do so.

43. In the case of *Allergan Inc v. Milment Optho Industries*, AIR 1908 Calcutta 261 : 1999 PTC (19) 160(Cal)(DB) where the Division Bench of this Court held that a plaintiff with a reputation which is established internationally can sue to protect it in this country, even if it does not have any business activity here. In other words, reputation of a product may precede its introduction and may exist without trade in such product in the country.

44. We have also noticed that in *Pratyush Kumar Jana & Anr. v. New Howrah Bakery (Bapuji) Pvt. Ltd.*, 2009 (40) PTC 442 (Cal.) (DB) where the Division Bench of this High Court after noting the decisions cited before it has specifically held that the Supreme Court in *Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others*, has also reiterated the settled principle of law as follows:-

Kerr in his *Treatise on the Law and practice of Injunction*, 6th Edn. At pp. 360-364 states as under:

Mere delay after knowledge of the infringement to take proceedings, not sufficient to call the Statute of Limitations into operation, or where the infringement continues, is not, it seems, a bar to the right of an injunction at the trial. Lapse of time unaccompanied by anything else is, it seems, no more a bar to a suit for an injunction in aid of the legal right than it is to an action for deceit.

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

Specific knowledge on the part of the plaintiff and prejudice suffered by the defendant is also a relevant factor.

(See *Spry on Equitable Remedies*, 4th Edn., p.433.)

Applying the aforementioned principles in the instant case, it is evident that the time gap between the issuance of the notice and filing of an application, for grant of injunction was not a voluntary act on the part of the appellant herein. It had to wait for the outcome of various proceedings pending before different courts. The respondents having themselves taken recourse to judicial proceedings, as noticed hereinbefore, cannot now be permitted to set up the defence of acquiescence on the part of the appellant. Indisputably, in a case of infringement of trade mark, injunction would ordinarily follow where it is established that the

defendant had infringed the trade mark and had not been able to discharge its burden as regards the defence taken by it

45. In our opinion, these observations will be fully applicable in the facts and circumstances of this case. Parties have been litigating with each other in the present case. In such circumstances, it would not be possible to hold that the right of the plaintiff can be denied the benefit of interim injunction on the ground of acquiescence. Therefore, we are also conscious of the facts of the case that the appellant has its registered trade mark in five States and it further appears to us that the learned Single Judge after considering the same granted injunction excepting in five States in which the appellant has already obtained their registered mark.

46. In the said decision the Division Bench also noted that the case of Board of Management of S.V.T. Educational Institution and another Vs. A. Raghupathy Bhat and others, where the learned counsel for the plaintiff emphatically answered the submissions made by the learned Counsel for the appellants with regard to the acquiescence of the plaintiff.

47. The Court further held as follows:-

...It is obvious that thus the alleged infringement of plaintiffs trade mark "DUCK BACK" and the alleged passing off action on the part of the defendants in selling their goods by passing off their goods as if they were plaintiffs goods has continued all throughout uninterrupted and in a recurring manner. It is obvious that such infringement of a registered trade mark carried on from time to time would give a recurring cause of action to the holder of the trade mark to make a grievance about the same and similarly such impugned passing off actions also would give a recurring cause of action to the plaintiff to make a grievance about the same and to seek appropriate relief from the Court. It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach of infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of technically not maintainable in absence of proper reliefs, for all times to come in future defendant of such a suit should be armed with a licence to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts...

48. These observations would clearly show that the claim of the plaintiff cannot reject at this stage on the ground of acquiescence. In our opinion, learned Single Judge has correctly observed that in case the defendant fails to establish an

honest concurrent user of the identical trade mark, the injunction must normally allow in favour of the plaintiff. Learned counsel for the plaintiff/respondent has also relied on a Single Bench judgment of the Delhi High Court in the case of M/s. Hindustan Pencils Pvt. Ltd. (Supra).

49. On the basis of the aforesaid judgment, in our considered opinion, the Hon'ble Single Judge correctly granted injunction in favour of the plaintiff/respondent and on the given facts, in our opinion, the relief of injunction cannot be denied to the plaintiff/respondent only on the ground of inordinate delay.

50. After analyzing all the decisions of the Court cited before us and after analyzing those decisions the question now is whether the exercise of discretion by Trial Court in favour of the plaintiffs to grant the interlocutory injunction in accordance with the settled principles of law regulating grant of interlocutory injunction or not?

51. We have noticed that in Indian Mineral (Supra) where the Supreme Court held as follows:

We are of the opinion that the learned Judges erred in revoking leave under clause 12 of the Letters patent in view of the clear assertions made in the plaint, and the assertions in a plaint must be assumed to be true for the purpose of determining whether leave is liable to be revoked on a point of demurrer. In the plaint the jurisdiction of the High Court was claimed on the ground that:

(1) UCO Bank's Branch, which was within the Court's jurisdiction, intimated the plaintiffs that the letter of credit had been issued by the respondent;

(2) The documents were presented by the plaintiffs to the said branch of UCO Bank; and 30 (3) Payment was to be received by the plaintiffs from the said branch of UCO Bank.

The Division Bench could have held that what was alleged to be part of the cause of action did not form part of the cause of action at all. This the Division Bench did not do. It was not open to the Division Bench to come to a contrary factual conclusion in respect of any of these three grounds. The appeal is, therefore, liable to be allowed on this ground alone.

52. In the given facts it appears to us that part of the cause of action arose within the local limits of the ordinary original jurisdiction of this Court. Therefore, the Court has jurisdiction to entertain the suit. Furthermore, until the leave is revoked, it cannot be stated that Court is tasking jurisdiction when a leave has been granted under Clause 12 of the Letters Patent.

53. On the question of balance of convenience, it appears to us that it would not be inconvenient for the appellant to defend the suit from its branch office in Kolkata and, therefore, we are not inclined to hold that this Court has no jurisdiction as contended before us on behalf of the appellant.

54. We have also considered the decision Ramdev Food Products Pvt. Ltd. Vs.

Arvindbhai Rambhai Patel and Others, where the Supreme Court observed as follows: -

Acquiescence is a facet of delay. The principle of acquiescence would apply whe(sic); (i) sitting by or allowing another to invade the rights and spending money on it; (ii) it (sic) course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc.

55. In the facts and circumstances of this case, it appears to us that there is no question of such principle would applicable in the instant case.

56. In the case of Pratyush Kumar Jana (Supra) the Division Bench duly considered the principles with regard to grant or refusal of the interim relief. Relying on the said decision the Supreme Court held as follows:-

29. The principle with regard to grant or refusal of interim relief has been lucidly stated in the case of Midas Hygiene Pvt. Ltd. (Supra) as follows:-

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

In this case, it is not necessary for the plaintiff to establish that appellant have infringed the trade mark as there is no dispute that both plaintiff as well as appellants are seeking to use the name "Bapuji" to sell the items of confectionery. It is also not in dispute that the mark in both the cases is identical. In normal circumstances undoubtedly in an action for infringement, the plaintiff must make out that the use of defendant's mark is likely to deceive, but where the similarity between the plaintiffs and the defendant's mark is very close either visually, phonetically or otherwise, no further evidence is required to establish that the plaintiffs rights are violated. This proposition has been laid down by the Supreme Court in the case of Kaviraj Pandit Durga Dutt Sharma (Supra) in the following words:-

28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under S. 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which the learned Counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in their colour and other features and their general get-up together with

the circumstances that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy in the event of the use by another of that mark or a colourable limitation thereof. 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 vindicating of "the exclusive right to the use of the trade mark in relation to those goods" (vide S. 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. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable limitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two cases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed, in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

Therefore, in our opinion, the Hon'ble Single Judge has also duly dealt with the principle in allowing the interim relief.

57. In our considered opinion, we think that His Lordship has applied his discretion after applying the settled principles of law. Injunction is a relief in equity and is based on equitable principles. We find that equity at this stage is in favour of the respondent and against the appellant. It has also to be borne in mind that a mark in the form of a word which is not a derivative of the product, points to the source of the product. The mark "EVEREADY" is associated for long, much prior to the defendant's application. In view of the prior user of the mark by the plaintiff/respondent and its reputation extending to India, the trade mark "EVEREADY" gives an indication of the origin of the goods as emanating from or

relating to the Eveready Industries India Ltd. in India. We are also satisfied that use of the mark "Eveready" by the appellants indicates prima facie an intention to pass off its product as those of the plaintiff/respondent or at least the likelihood of the buyers being confused or misled into that belief.

58. His Lordship has rightly granted injunction in favour of the plaintiff and in our considered opinion, ground of such interlocutory injunction would cause no significant injury to the appellant. We have also considered that the interlocutory injunction would cause irreparable injury to the plaintiffs/respondent's reputation and goodwill since the trade mark which named "EVEREADY" is associated for long because of prior user and even otherwise with the plaintiff/respondent, Eveready Industries India Ltd. These factors, which have been relied on for grant of interlocutory injunction by the Trial Court, indicate that the exercise of discretion was in accordance with the settled principles of law relating to the grant of interlocutory injunction in a passing off action.

59. Applying the settled rule indicating the scope of interference in an appeal against exercise of discretion in the Trial Court to grant an interlocutory injunction, we find no ground to a different view or to interfere with the grant of the injunction.

60. On the above conclusion reached on the facts of this case, it is unnecessary to refer to the several decisions cited at the Bar to indicate the settled principles of law regulating grant of refusal of interlocutory injunctions and the scope for grant of such an injunction in a passing off action even against the proprietor of a registered trade mark. It is also to be noted that those decisions laid down that in a passing off action based on the right in common law distinct from the statutory right based on a registered mark, an injunction cannot be granted even against an owner of the trade mark in an appropriate case.

61. Therefore, in these circumstances, we find that Hon"ble Single Judge correctly passed an order of injunction restraining the appellant from using the said trade mark excepting the five States where they are already registered. 36 In these circumstances, we uphold the decision of the Hon"ble Single Judge and affirm the said order. For the reasons stated hereinabove, the appeal is dismissed.