

(1990) 11 DEL CK 0005

In the Delhi High Court

Case No : Interim Application No. 9737 of 1987 and Suit No. 2776 of 1987

Ceat Tyres of India Ltd.

APPELLANT

Vs

Jai Industrial Services and Another

RESPONDENT

Date of Decision : 21-11-1990

Acts Referred:

Citation : (1991) 1 ARBLR 33 : (1991) 45 DLT 405

Hon'ble Judges : P.K. Bahri, J

Bench : Single Bench

Advocate : Manmohan Singh, H.P. Singh and K.L. Aggarwal, for the Appellant;

Judgement

P.K. Bahri, J.

(1) Have heard the arguments for deciding this application seeking temporary injunction till the disposal of the suit. Ad interim injunction order already stands granted In favor of the plaintiff vide order dated December 16,1987.

(2) The plaintiff is a proprietor of trade mark "CEAT" registered under No. 204251 since August, 1961, in respect of pneumatic and solid tyres for vehicles. This trade mark "CEAT" has been in use in India since 1951 earlier by the predecessor-in-interest of the plaintiff and the registration of the said trade mark still subsists in favor of the plaintiff. It is the case of the plaintiff that the trade mark/word "CEAT" is a part of the plaintiff's company trading style and is also an invented word and the plaintiff has been selling huge quantities of tyres, tubes and other material under the trade mark "CEAT" and the plaintiff commands good reputation and goodwill in the said name and the sale of such goods runs into crores of rupees in a /year and the goods are also exported to various countries under the said trade mark "CEAT" It was also pleaded that a huge amount has been incurred and is being incurred for carrying out advertisements in respect of the said trade mark "CEAT" and thus, by reason of long and continuous and exclusive use the trade mark "CEAT" is exclusively associated and identified with the plaintiff-company and its goods. It was pleaded

that according to the Memorandum of Association of the plaintiff-company, the plaintiff company is to carry on business of manufactures of and dealers in conveyor belts, transmission belting, fan belts, "V belts, belting system and belts/belting of all types and kinds, hoses and coupling for materials handling and parts, components and accessories thereof. In the month of May 1987, it was found that the defendants have brought out in the market fan belts and "V belts, under the trade mark "CEAT" and those are made from rubber/synthetic rubber. It was alleged that the defendants by using the trade mark "CEAT" for its fan belt and "V belt has caused confusion and is likely to cause confusion amongst the customers that the goods being manufactured and sold by the defendants. in fact, belong to the plaintiff. It was pleaded that the goods being manufactured by the defendants are of poor quality and the sale of those goods under the trade mark "CEAT" is likely to adversely affect the business and reputation of the plaintiff. It was pleaded that the defendants have fraudulently and dishonestly used the said trade mark in respect of fan belt and "V belt being manufactured and marketed by the defendants with a view to get enriched illegally upon the reputation and goodwill of the plaintiff.

(3) The defendants have contested that the suit pleading that the plaintiff has no cause of action as the plaintiff is not manufacturing and selling the "V" belt and fan belt and the said goods are totally different -in nature and description from the goods being manufactured and sold by the plaintiff. It was pleaded that the plaintiff's goods fall in clause 21 of the IVth Trade and Merchandise Marks Rules whereas the goods of the defendants come within clause 7. It was pleaded that the defendants have been using the said trade mark "CEAT" for,ita"V" belts and fan belts since 1979 and that -there is no likelihood of any confusion being caused by selling the goods by the defendants by using the trade mark "CEAT" in any manner to show that the goods belong to the plaintiff.

(4) An action for passing off is founded on desirability of preventing commercial immorality or dishonesty on the part of a trader who by using a particular mark, whether registered or unregistered, wants to falsely represent that his goods are the goods of someone else so that he can take unfair advantage of the reputation of that Other person in the market. The likelihood or probability of deception depends on a number of factors and is a question of fact in the circumstances of each case. It is obvious that if there is no link between two trades, or in other words, the two trades are not closely correlated and the goods are not analogous, a conclusion may be reached in a particular case that the chances of deception are too remote to be taken notice of.

(5) Counsel for the plaintiff has vehemently argued that the tyres of the plaintiff are sold in the same type of shops as are selling "V" belts and fan belts. The tyres are used in vehicles and the fan belts are also used in vehicles whereas the "V" belts are also used in machines which are used for re treading the tyres. so, it is vehemently argued that "the goods being manufactured and sold by the defendants are atleast analogous goods to the goods of the plaintiff and as the

goods of the plaintiff and the fan belts and "V" belts are being sold at the same type of shops, there is every likelihood for ordinary customers to treat the goods after defendants as those of the plaintiff. It is true that the plaintiff has no registered trade mark "CEAT" in respect of the fan belts and the "V" belts but if it is an action for passing off it is not necessary that the plaintiff must have registered trade mark. Indeed it is not disputed before me that the trade mark CEAT is an invested word and a lot of reputation has been built up around the said trade mark in respect of the tyres.

(6) Counsel for the defendants has, on the other hand, argued that the fan belts and fan belts being manufactured by the defendants cannot be treated analogous or allied goods in respect of the registered trade mark of their plaintiff and there is no likelihood of any customer being misled by the defendants for manufacturing and selling the said goods under the trade mark. Both the parties have placed reliance on a number of judgments in support of their respective contentions. In my opinion, the plaintiff, having a strong hold in view of the fact that fan belts and "V" belts are being sold on that market from where the tyres are sold. The plaintiff has a long bag of goodwill and reputation in the trade mark "CEAT" pertaining to tyres. Prima facie, it is also clear that "V" belts and fan belts are at least cognate or allied goods to the tyres inasmuch as the fan belts and the tyres are used in the vehicles and "V" belts are used for machines including machines meant for retreading the tyres.

(7) The first case referred to by the learned Counsel for the plaintiff is *Banga Watch Company Vs. N.V. Phillips, Eindhoven, Holland and Another*. In the said case, the plaintiff was manufacturing and selling goods in engineering and electrical fields under the trade mark "Phillips". The defendants started using the same trade mark for their watches and clocks. Although the plaintiff was not manufacturing watches, still the defendants were restrained from using the trade mark "Phillips" for their watches and clocks. In the said case also, the trade mark of the plaintiff did not fall in the same class as the goods of the defendants. Counsel for the plaintiff then referred to *L.R.C. International Limited and Another v. Lila Edits Sales Company Limited* (1973) R.P.C. 560. Here the plaintiff was trading in the household gloves and plastics pants for babies. The defendant started selling toilet tissues under the said trade mark. The injunction was granted against the defendant. It was held that it was the intention of the plaintiff to extend the field of their activities for manufacturing and selling the toilet tissues. The plaintiff was granted injunction against the defendant. Then he has referred to *"Players" Trade Mark (Registration)* (1965) R.P.C. 363. The plaintiff has found applied "for registration of the trade mark in respect of tobacco. It was found that the applicant's goods and the opponent's goods were sold through the same channels. It was held that the goods were not of the same description but the applicant's use of the mark would likely to lead to confusion and the relief was revised to the opposite side. plaintiff's Counsel has placed reliance on a number of judgments but it is not necessary to refer to all of them because each case depends on peculiar facts but the principles which have to be kept in view

for deciding an application for grant of injunction in such like cases are very well recognised and they came to be considered by this Court in *Dharam Pal Satya pal v. Janta Sales Corporation* 1990 (2) ALR 91. In the said case the plaintiff was manufacturing and selling chewing tobacco under the trade mark "RAJANI". The defendant started marketing Pan Masala under the said trade mark. The injunction was allowed. The learned Judge has referred to almost all the judgments on the subject in order to decide this case. It was found by the Court that the two types of goods were being sold from the same shops and there was every likelihood of confusion being caused amongst the customers in considering the goods of the defendant as goods of the plaintiff. The Court held that the goods are of cognate and allied nature in the sense that these are manufactured by the same manufacturers and pass through the same trade channel inasmuch as the whole sellers or retailers as found to be common and even the consuming public can be the same.

(8) Reference was made to a judgment of this Court in *M/s. Hindustan Pencils Pvt. v. Prem Chand Gupta* 1985 Ptc 33, by the learned Counsel for the defendants but the said case is on a different aspect. In the said case the rectification application was dismissed. The petitioner's goods were being sold under the trade mark "Natraj" pertaining to pencils. The respondent was selling the goods geometry boxes. Counsel for the plaintiff has informed that an appeal against the said judgment is still pending for decision. The present is not a case of seeking any rectification of registration. The case of the plaintiff is based on an action of passing off. Counsel for the defendants has cited *Rustom Ali Molla and Others Vs. Bata Shoe Co. Ltd.*, . In the said case, under the trade mark "BATA", shoes, chappals and allied goods were being sold by the plaintiff and the defendant adopted the said mark in respect of lungis and banker chiefs. The Court held that the goods are different and the injunction was refused. Counsel for the plaintiff has drawn my attention to the commentary in the book under the Trade Mark Act by K.S. Shavaksha at page 427 wherein it is mentioned that this suit ultimately was decreed although interim injunction was refused. This judgment was not considered as good law in *Bata India Limited Vs. Pyare Lal and Co., Meerut City and Others*, . In the said case the defendant had started using the trade mark "Bata-foam". The trade mark "BATA" was registered in respect of canvas, rubber, leather shoes, rubber footwear, rubber soles, rubber heels and leather soles etc. The word "Bata" was treated as a fancy name. It was held that the plaintiff had a cause of action for instituting the proceedings for passing off and the fact that the plaintiff was not manufacturing or producing foam was not enough to hold that there could be no passing off action in respect of the user of the name "Bata" to the products being marketed by the defendant. Counsel for the defendants has cited *The Bridgestone Company (P) Ltd. v. The Bridgestone Tyre Company Ltd. Tokyo, Japan* 2 (1966) Dlt 143. It is not necessary to deal with this case because this case was not dealing with the action of passing off. Moreover, on facts the case is distinguishable. The plaintiff's trade mark was in respect of tyres and tubes for vehicle whereas the defendant wanted registration

of the said trade mark in respect of cycle parts.

(9) Counsel for the defendants has made reference to Darnell (J.) and Sons Limited 1957 Rpc 177. An application was moved for getting the trade mark "EXCBLLO" registered in respect of "boots? shoes and slippers". It was opposed by the other party who had registered the said mark in respect of "stockings and socks". It is true that after recording evidence in this case the finding was given that the two classes of goods, namely, "boots, shoes and slippers" on the one hand and "stockings and socks" on the other are so completely different that the fact that members of public saw the two classes of goods occupied for sale in the same shop and under similar marks would not be sufficient to raise a real tangible danger of confusion. The judgment was given in view of the facts which came out during the course of trial, it cannot be said that any general proposition of law has been laid down which could be of any assistance in deciding the present matter. As already discussed by me above, it would depend on facts, of each case in order to see whether there is possibility of confusion occurring or not by use of same trade mark in respect of goods of different nature and whether the said goods could be deemed to be cognate or allied goods or not. He has then made reference to Sony Kabushiki Kaisha Vs. Shamroa Maskar and Others, . In the said case the question which arose for decision was whether the registration of trade mark "SONY" for nail polish is likely to deceive or cause confusion in the minds of customers of cognate goods bearing the same mark. The Court observed that the goods are of different nature and the customers are also different and thus, a common man would not be confused by purchasing the goods of registered trade mark "SONY" in respect of nail polish treating the same being manufactured by the trade mark "SONY" in respect of the electronic goods. The case is based on different facts and is not applicable to the facts of the present case. He has also cited Nestle's Products Limited and Another Vs. Milkmaid Corporation and Another, . In this case the plaintiff had registered the trade mark Milkmaid in respect of the condensed milk. The defendant wanted to have its registration for the biscuits and toffees. The defendant was permitted to have its trade mark registered under the name "Milkmaid Corporation" in respect of biscuit and toffees. The Court gave the finding that where the defendants dealt in biscuits and toffees which were not produced by the plaintiffs and where the wrappers were printed with the words "Milkmaid Corporation" action for passing off cannot be supported by the plaintiff who sold condensed milk under the trademark "Milkmaid" in tins or cans having different size, type and shape. The case is based on peculiar facts of its nature. Reference was made also to Lifeguard Milk Products Proprietary Ltd. (1957) Rpc 79. In the said case, an application to register a mark "Lifeguard" was sought in respect of milk and milk products. The opposition was put in by proprietors of said mark saying that the said trade mark was being used by the opposite party in respect of Racketed tea. It was held that both classes of goods are "food" and in the retail sales end of the trade channels are often sold in the same shops over the same counters but the origin of the goods and the wholesale end of the trade channels are not

the same and the marks although very similar are not identical and the finding was also given that tea and milk and milk products are not the goods of the same description. Again the case is having facts of its own kind. Reference was also made to AIR 1940 86 (Privy Council) , by the learned Counsel for the defendants. In the said case, the question which arose for decision was whether the smoking tobacco being manufactured under the one trade mark and chewing tobacco being manufactured under the same trade mark is likely to deceive the public or not 7 The Court held that the vital element in such a case is probability of deception and this may depend on number of matters as well as the question of similarity of the marks or of the get up. The Court held that there can obviously be no monopoly in the use of the trade mark. A manufacturer of cigarettes under an undoubted trade mark such as an animal, or any other device, cannot legally object to use of the identical marks oil, say, hats, or soap, for the simple reason that purchasers of any of the latter kinds of goods could not reasonably suppose, even if they were well acquainted with the mark as used on cigarettes, that its use on hats or soap denoted that these goods were manufactured or marketed by the cigarette manufacturer. It was also held in this case that a judge cannot properly decide except upon evidence as to the classes or kinds of goods which are protected by the appellants mark, or, to be more precise, on the question whether purchasers of chewing tobacco from the respondent in the packets and tins above described are likely to be misled into thinking that that article is manufactured or put upon the market by the appellants. So, on merits, the Court has come to the conclusion that there was no evidence to show that any such confusion could take place although both the parties were using the same trade mark in respect of their goods.

(10) Both the counsel have referred to a judgment in the case of Corn Products Refining Co. Vs. Shangrila Food Products Ltd., . In the said case, the respondent had applied for registration of the mark "Gluvita" used with reference to biscuits manufactured by him. The appellant had been using the registered trade mark "Glucovita" with reference to his glucose with vitamins and he had opposed the application of the other side. The Supreme Court in para 20 had observed that it is true that in both the above mentioned cases the two competing trade marks were absolutely identical. The absolute Identical of the two competing marks or their close resemblance is only one of the tests for determining the question of likelihood of deception or confusion. It was emphasized that the trade connection between the different goods is another such test. Ex hypothesis ,this latter test applies only when the" goods are different and these tests are independent tests. The Supreme Court observed that there is no reason why the test of trade connection between different goods should not apply. The Court assumed that liquid glucose is used in the manufacture of biscuits with glucose and held that there is a trade connection between the glucose and biscuits and a likelihood of confusion or deception arising there from would appear from the fact stated by the appellant that it received from a tradesman an inquiry for biscuits manufactured by it under its mark "Glucovita". The Supreme Court came to the

conclusion that these commodities concerned in the present case are so connected as to make confusion or deception likely. This judgment applies to the facts of the present case. Here also the tyres being manufactured by the plaintiff are from rubber or synthetic rubber and so also the fan belts and "V" belts being manufactured by the defendants and thus, prima facie a trade connection is established in respect of these goods and an ordinary customer is likely to be confused or deceived while buying the goods manufactured by the defendant thinking that the said goods are in fact manufactured by the plaintiff.

(11) Counsel for the defendants also made reference to London Rubber Co. Ltd. Vs. Durex Products, . In the said case, the Supreme Court held that there was no likelihood of confusion or deception because the respondent's goods were confined to contraceptives for use by women which could only be used with medical assistance while the appellant's contraceptives were essentially for men. However, it appears that the judgment is based on the finding given that both the parties had concurrent user of the trade mark In respect of their respective goods. In the case of Tara Chand Manoharlal v. Deputy Registrar T & M. 1979 Rlr 526, the Court found a trade connection between the vegetable oil used by one party V under the trade name of "DALDA" and the hair removing soap containing the oil. The Court found that the buying public will think that Hindustan Levers are the makers of the hair removing soap which actually is being manufactured by the opposite party. So, the trade mark "DALDA" was not allowed to be registered. Like in this case "DALDA" was said to be invented word and so b the word "CEAT in the present case. In the Eastman Photographic Materials Company Ltd. and another v. The John Griffiths Cycle Corporation Ltd. and the Kodak Cycle Company Ltd. 15 Rpc 105, the trade mark "KODAK." was registered in respect of cameras and was sought to be used by the opposite side in cycles. The trade connection was said to exist between the goods as even bicycles could be fitted with the cameras. Apparently the cycles and the cameras are totally different goods, still it was held that the possibility of confusion was there. In the case of Dunlop Pneumatic Tyre Go. Ltd. v. The Dunlop Lubricant Company 16 Rpc 12, the party was having the trade name "DUNLOP" registered for pneumatic tyres for cycles and other accessories such as pumps, inflators, etc. whereas "DUNLOP" had become identified with the ^ goods of the other party who dealt in oils and lubricants for cycles and other cycle accessories. It was held that there was a trade connection between the two types of goods and necessary injunction was granted. Reference may be made to M/s. Jugmug Electric & Radio Co. M/s. Telerad Private Limited (1978) 1 Delhi 667. The respondent in this case had registered the trade mark "TELERAD" In respect of radio receiving sets and components parts. The appellant get registered the same trade mark in. respect of domestic electrical appliances. The Division Bench of this Court held that there is a real tangible danger of confusion if the trade mark of the appellant is continued to remain on the Register as it was found that many electrical goods shops not only sell radios but also domestic electrical appliances. Similar is the position here. The same shops which sell the tyres also sell "V belts and fan belts

and all these goods are manufactured from the same material rubber/synthetic rubber. So, prima facie, possibility of customers being confused in buying the goods of the defendants treating them to be of the plaintiff cannot be over-ruled. In *Sunder Parmanand Lalwani and Others Vs. Caltex (India) Ltd.*, the trade mark "CALTEX" was being used by one party in respect of petrol and various oil products. The other party started dealing with manufacture of watches under the same trade mark. It was held by a Division Bench of the said Court that person seeing the mark attached to watches which was a new class of goods, would presume, or was most likely to assume that they originated _ from the proprietor of the mark, naturally, the opponents. So, the registration was not granted. In para 49 the Division Bench observed that in this case goods were totally different and there is no trade connection between them and there is no connection in the course of trade nor any common trade channels and there are factors against holding that there would be any danger of deception or confusion but the trade factors cannot be ignored which tend to show that there is "likelihood of creating deception and confusion. As the opponents have been using the trade mark on a very large scale and their sales exceeded Rs. 30 crores in one year and their publicity is wide spread and large, it was found by the Division Bench that the goods of both the nature are being purchased by a common man and as far as the trade mark "CALTEX" is concerned, the same would confute the common customers thinking that the new product is also being marketed by the proprietors of the same trade mark "CALTEX ^" who are manufacturing petroleum products. This case applies, In me view, on all fours to the facts of the present case. The trade mark "CEAT" has achieved lot of reputation and has become very common and the plaintiff has been marketing goods under the said trade mark running into substantial amounts and had incurred lot of expenditure on having wide publicity. So even though for the sake of arguments it is to be assumed that the goods manufactured by the defendants have no trade connection with the good marketed by the plaintiffs, still the common customer who is purchasing the goods is likely to be deceived with the new products of the defendants in all probabilities considering the same as manufactured by the plaintiff because they are being marketed under the same trade mark. (12) In view of the above discussion ,I conclude that the plaintiff has a sirong, prima fade, case and the balance of convenience also lies in favor of Therefore M/s Banga Watch Company v. M/s. Jai Industrial Services and "and" nr.d Avis International Ltd. "a plaintiff and the plaintiff is, thus, entitled to have interim injunction till the disposal of the suit.

(13) I confirm the interim injunction already granted till the disposal of the suit.