

(2009) 04 DEL CK 0193

In the Delhi High Court

Case No : I.As No. 15425 of 2008, 217 of 2009 and 2769 of 2009 in CS (OS)
No. 2607 of 2008

Clinique Laboratories LLC and Another

APPELLANT

Vs

Gufic Limited and Another

RESPONDENT

Date of Decision : 09-04-2009

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4
Trade Marks Act, 1999 — Section 11, 11(1), 11(2), 11(3), 11(5)

Citation : (2009) 41 PTC 41

Hon'ble Judges : Rajiv Sahai Endlaw, J

Bench : Single Bench

Advocate : Sandeep Sethi, Anuradha Salhotra, Rahul Chaudhary, Sumit Wadhwa and Sindhu Sinha, for the Appellant; Sudhir Chandra Abhinav Vasisht, Giniya K. Verma, Harshita Priyanka and Debajyoti Bhattacharya, for the Respondent

Final Decision : Allowed

Judgement

Rajiv Sahai Endlaw, J.—The applications of the plaintiff for interim relief, of the defendant for vacation of the ex-parte order dated 16th December, 2008 and of the plaintiff u/s 124(1)(ii) of the Trademark Act, 1999 are for consideration. The plaintiff has sued for injunction restraining infringement of its registered trademark CLINIQUE and for restraining defendants from passing off its goods as that of the plaintiff. It is the case in the plaint itself that the defendant is the registered proprietor of the trademark CLINIQU; that the plaintiff prior to the institution of the suit has initiated rectification action before the Registrar. According to the plaintiff, the plaintiff from the pleadings of the defendant in this suit learnt of other registrations including DERMA CLINIQU in the name of the defendant and which the plaintiff contends it was not aware of at the time of institution of the suit. The plaintiff has thus applied for permission to file an application for removal of the registrations in the name of the defendant and for stay of the present suit till the disposal of the rectification application.

2. As far as the application u/s 124(1)(ii) is concerned, there is no contest. It has not been disputed that the suit has to be stayed pending the decision on the rectification application. Arguments were addressed on the interim relief pending such proceedings before the Registrar. It is the contention of the senior counsel for the defendant that it being now the admitted position that the defendant is also the registered proprietor of the trademark, while considering the interim relief, test of passing off only which are stated to be liberal and not of infringement of trademark which are stated to be stricter are to be applied.

3. It is deemed expedient to consider first, the test to be applied for interim orders, whether of infringement or of passing off. The senior counsel for the defendant has contended that though Section 124(5) provides for grant of interim relief while staying the proceedings in the suit, the said interim relief in cases falling u/s 124(1)(b) cannot be of injunction restraining the defendant from using its registered trademark. The reason given is that Section 28(3) of the Act expressly provides that where two or more persons are registered proprietor of the trademark which are identical or resembling each other, the exclusive right to the use thereof shall not be deemed to have been acquired by any one of those persons as against the other of those persons merely by registration. It is contended that if the interim relief of injunction restraining a registered proprietor of trademark is held to be possible u/s 124(5), the same would render Section 28(3) otiose and which ought not to be done. It is argued that harmonious construction is possible only by so reading Section 124(5), as limiting the interim relief to reliefs other than of injunction against user by the registered trademark. It is further argued that Section 27 of the Act expressly excludes from the purview of the Act action for passing off and the plaintiff can be entitled to interim injunction against a registered proprietor of a trademark only if satisfies the ingredients of passing off and which it is argued, the plaintiff does not in the present case.

4. The contention is that registration does not enure against another registered proprietor; that relief of injunction against user u/s 124(5) can be granted only in cases falling in Section 124(1)(a) i.e. where the defendant pleads that registration of the plaintiff's trademark is invalid - in those cases the defendant is not the registered proprietor and in those cases the interim injunction against user is possible against the defendant; reference was made to Section 31 to contend that there is a presumption of validity of registration and thus at this interim stage this Court cannot hold otherwise; Section 124 does not have any non obstante clause and in the absence thereof, Sub-section (5) thereof cannot be read so as to make Section 28(3) redundant or otiose; that a registered mark is the one which continues to remain on the register and since admittedly the marks of the defendant are on the register, and action for infringement there against does not lie. Judgments on the principle of harmonious construction were cited.

5. It was further sought to be contended that Section 124(5) after providing that

the stay of the suit thereunder would not preclude the court from making any interlocutory order further clarifies "including any order granting an injunction directing accounts to be kept, appointing a receiver or attaching any property"; that the interim interlocutory order within the contemplation thereof are of the types indicated in those in the bracketed portion thereof and cannot include the drastic ultimate order of restraining the registered proprietor of use of registered trademark.

6. Per contra the senior counsel for the plaintiff has contended that Section 124(5) does not limit the interlocutory orders which can be made by the court while staying the suit; it does not make any distinction between 124(1)(a) & (b); the bracketed portion is only explanatory and not exhaustive; that Section 30(2) (e) indicates that the Act contemplated a suit for infringement against a registered proprietor; that the word interlocutory order in Section 124(5) is preceded by the word "any" making its scope unlimited; that the presumption of validity u/s 31 is prima-facie only and the court while granting interim order, if satisfied on material on record, is entitled to presume to the contrary and in which case there would be no validity of the mark. It was further contended that Section 31(2) carves out an exception for Section 9 only but not for Section 11; that in the present case the registration of the defendant is contrary to Section 11; that the mark of the defendant could not have been registered owing to the bar contained in Section 11(1) which does not even require any opposition and which u/s 11(5) has been placed on a higher pedestal than the matters u/s 11(2) & (3); that no restrictions can be read u/s 124(5) as suggested - where the legislature wanted prohibition against certain orders being passed, the legislature has provided so, as in Section 135 of the Act. Reference was made to a recent judgment of a single judge of this Court in order dated 26th February, 2009 in I.A. No. 612 & 919/2009 in CS(OS) No. 2/2009 where it has been held on a prima facie view that a suit by a registered proprietor of a trademark against another registered proprietor of the same trademark cannot be refused to be entertained at the threshold - such a suit can lie but may have to be stayed pending adjudication of the defence raised by the defendant. However, in this judgment no final opinion was expressed on this issue and in any case the question of interim relief to be granted was not discussed.

7. The senior counsel for the plaintiff further referred to Section 137(2) to contend that the registration was only a prima-facie evidence of the same having been done in accordance with the Act and did not prohibit the court from adjudicating if the registration had been done contrary to the provisions of the Act and if the court finds so, there was no bar to the court restraining user of a registered trademark also pending the rectification proceedings before the Registrar. Reliance was also placed on Section 28(1) to contend that the rights of the registered proprietor as defined therein were subject to the other provisions of the Act i.e. they must give way to Section 124(5) of the Act.

8. In my view, Section 29 of the Act providing for infringement of the registered

trademark does not contemplate infringement by another registered proprietor. Sections 29(1), (2) & (4) expressly provide that "registered trademark is infringed by a person who, not being a registered proprietor ..." Though, Section 29(5) which has been newly introduced in the 1999 Act does not use the same language but in my view the same would be irrelevant for the present purposes. Section 30(2)(e) further fortifies the said position by expressly providing that the registered trademark is not infringed where the use being as one of two or more trademarks registered under the Act which are identical or nearly resemble each other and in exercise of the right to use of that trademark given by registration thereof. However, Sections 28(3), 29 & 30(2)(e) cannot be read in isolation. If the intent was that there could be no action for infringement against the registered proprietor, the legislature while giving the right for rectification before the Registrar would not have in Section 31 made the registration as only prima-facie evidence of validity thereof. If that had been the intention all that would have been said is that as long as the registration exists it is valid, without any question of prima-facie or not. Then the courts would have had to wait for the outcome of the rectification proceedings.

9. Registration has been made only prima-facie evidence of the registration otherwise being in accordance with the Act u/s 31(1) as contended by senior counsel for plaintiff but I find that even Section 28(1) while being subject to other provisions of Act, further provides that "registration of the trademark, if valid, give to the registered proprietor" exclusive right to use the trademark. Thus the validity of registration can be gone into, wherever permissible under the Act. Section 124(1)(b) also indicates that it was within the contemplation of the legislature that there could be a suit for infringement of trademark where the defendant takes a plea u/s 30(2)(e) i.e. that use by him is not infringement because of his mark being also registered. The legislature while further providing for stay of suit in such cases, in Sub-section (5) expressly provided that such stay would not preclude the court from making any interlocutory order. Section 31 r/w the scheme of 124 leads to an un-escapable conclusion that (A) there can be a suit for infringement against the registered proprietor (B) that upon the defendant taking the plea of his registration and of there being thus no infringement, such suit has to be stayed awaiting the rectification proceedings and (C) the court is empowered in such case to pass any interlocutory order. The court while passing interlocutory order will necessarily have to prima facie adjudicate the validity of the two competing registrations. Upon inquiry, it was informed that the Registrar while trying the rectification application has no power to grant interim relief. The legislature u/s 124(5) has thus empowered the court u/s 124(5) to grant injunction against use of a registered trademark also if the court is satisfied of the invalidity thereof. Though in view of Section 31, the test would be much stricter;

10. In my opinion, unless the provisions are so read, effect cannot be given thereto.

11. Once having reached a conclusion that registration is only prima facie evidence of validity, it is axiomatic that if the court is satisfied otherwise on the basis of material on record and in the facts of the case, the court is empowered to injunct use of registered trademark also. I do not find any reason to limit/restrict the applicability of Sub-section (5) as suggested by the senior counsel for the defendant, in the absence of the legislature providing so. If the legislature had felt that there could be no infringement by a registered trademark, there was no need to provide for such a suit as in Section 124(1)(b) and (i). In fact, Sub-clause (i) of 124 (1) shows that the suit can be instituted even where the rectification proceedings are pending i.e. where the plaintiff is even at the time of institution of the suit aware of the defendant having a registered trademark.

12. I also find merit in the contention of the senior counsel for the plaintiff with reference to Section 31(2) of the Act. Section 31(2) suggests that the court notwithstanding registration being prima-facie evidence of validity as provided in Section 31(1) can hold the registered trademark to be invalid. The court can hold the registration to be invalid, on any ground or for non compliance of any of the conditions for registration provided under the Act. It further provides that if the invalidity of registration is averred for the reason of non compliance of Section 9(1), i.e. of evidence of distinctiveness having not been submitted before the Registrar, then the party pleading validity of registration shall be entitled to give evidence in legal proceedings where validity is challenged, of the mark having acquired distinctiveness on date of registration. Section 32 permits evidence of acquisition of distinctive character within the meaning of Section 9(1) post registration, also being led in such proceedings. It follows that where validity of registration is challenged on grounds other than provided in Section 9(1) of the Act, the test is whether the criteria laid down in such other provisions of the Act, for registration has been satisfied or not. Since, Section 124 otherwise provides for stay of proceedings in such suit and only permits passing an interlocutory order, such finding of invalidity naturally has to be on the touchstone of principles for interlocutory order only and not as at the time of final decision of the suit, in as much as the finding in the rectification proceedings has been otherwise made binding in the suit and on all aspects of validity i.e. u/s 9 as well as u/s 11.

13. Neither counsel has cited any direct judgment on this aspect. Nor have I been able to find any.

14. I thus conclude that a suit for infringement of registered trademark is maintainable against another registered proprietor of identical or similar trademark and in such suit, while staying the further proceedings pending decision of the registrar on rectification, an interim order including of injunction restraining the use of the registered trademark by the defendant can be made by the court, if the court is prima facie convinced of invalidity of registration of the defendant's mark.

15. Coming now to the facts of the case, the plaintiff No. 1, a foreign company is the registered proprietor of the trademark CLINIQUE since 13th July, 1981 in

relation to cosmetic creams, lotion and oils in cleansing creams, lotions and make-up, astringent, foundation, bases, eye make-up remover, bath oils and anti perspirants etc. in class 3. The plaintiff is also the registered proprietor of the trademark CLINIQUE WATER THERAPY, CLINUQUE MOISTURES SURGE and CLINIQUE SKIN SUPPLIES FOR MEN in relation to cosmetic and toilet preparations w.e.f. 6th May, 1992. The plaintiff is also the registered proprietor of the trademark CLINIQUE & C DEVICE w.e.f. 4th May, 1978 in relation to allergy tested cosmetics and toiletries including anti perspirants. The registration in favour of the plaintiff of the trademark CLINIQUE IN TOUCH for computer chip cards for use in the selection of the cosmetics and skin care products is w.e.f. 26th May, 1993; the trademark CLINIQUE EXCEPTIONAL Y SOOTHING CREAM FOR UPS in relation to medicated anti-itch skin cream class 5 is w.e.f. 10th December, 1996; the trademark CLINIQUE HAPPY in relation to cosmetics, toiletries and perfumery is w.e.f. 31st October, 1997. The trademark CLINIQUE ANTI GRAVITY & CLINIQUE GENTLE LIGHT have also been registered by the plaintiff in relation to skin care preparations and cosmetics, toiletries and perfumery respectively w.e.f. 2000 & 2001. Several other registrations are stated to be pending. The plaintiff No. 2 is the Indian company which has been licenced/ permitted use of the aforesaid trademarks in India by the plaintiff No. 1.

16. It is further the case of the plaintiffs that the word CLINIQUE forms the forepart and most distinguishing feature of its corporate name and trading style and has been used since the year 1968; that since then the said trademark has been recognized worldwide and the cosmetic, toilet and other products of the plaintiffs are trusted by women and recommended by dermatologists throughout the world.

17. The plaintiffs are stated to be carrying business in India since the year 2007 and have cited their sale figures and advertisement expenses. The plaintiffs have also cited their advertisements in the leading magazines and the plaintiffs claim CLINIQUE to be an internationally well-known mark.

18. The plaintiffs plead to have learnt in or about September, 2006 of the application of the defendant for registration of the trademark SKIN CLINIQ STRETCH NIL label in respect of cosmetic and toilet preparations from the Trade Mark Journals published on 1st September, 2005 and made available to the public on 3rd January, 2006. The defendant in the said application claimed use of the mark since 1st May, 1998. The plaintiffs found the same objectionable and filed notice of opposition thereto. Since the application aforesaid of the defendant was found to be associated with another trademark, the plaintiffs on making inquiries learnt that the other trademark namely the label SKIN CLINIQ STRETCH NIL had proceeded for registration. It is the case of the plaintiff that the said trademark had not been advertised properly as the word CLINIQUE thereon was hazy and illegible making it impossible for a prospective opponent to ascertain the contents thereof or to file an opposition thereto. During the course of hearing the plaintiff produced its copy of the Trade Mark Journal where the said label was

published and a perusal thereof does show that the word CLINIQUE cannot be deciphered therefrom. Though the senior counsel for the defendant contended the publication was better but nothing was shown.

19. The plaintiff immediately on coming to know of the label which had proceeded for registration, applied for rectification/cancellation thereof and which is still pending.

20. The plaintiff claims to have then made enquiries and to have learnt that the defendant was manufacturing and selling Herbal Lotion for stretch marks under the trademark SKIN CLINIQ STRETCH NIL.

21. The plaintiff finding the said action of the defendant to be in infringement of its trademark sent a cease and desist letter dated 12th September, 2006 to the defendant. The same however remained un-replied. The plaintiff however claims to have conducted a market inquiry and learnt that though the goods were available in the market but the defendants had no stocks of the said goods. The plaintiff claims to have believed that the defendant had given up use of the offending mark and a letter dated 23rd March, 2007 was sent to the defendant seeking an assurance. The said letter also remained un-replied.

22. The plaintiff however upon coming to know that the defendant was continuing to use the mark, sent further letters dated 7th March, 2008 and 2nd October, 2008 to the defendant. Finally, a reply dated 6th October, 2008 was sent by the defendants refusing to comply with the request of the plaintiff. The plaintiff thereafter instituted the present suit which came up first before the court on 16th December, 2008 when vide ex-parte order the defendants were restrained from marketing goods under the impugned trademark.

23. The defendants in their application under Order 39 Rule 4 CPC and the written statement have disclosed besides the label which as aforesaid was registered on 27th September, 1999, also registrations of the trademarks SKINCLINQ in relation to cosmetics and toilet preparations w.e.f. 17th December, 1998, in relation to pharmaceutical and medical preparation w.e.f. 5th October, 1998, of the trademark DERMACLINQ in relation to cosmetics and toilet preparation w.e.f. 17th December, 1998 and in relation to pharmaceutical and medical preparations w.e.f. 5th October, 1998.

24. It is further the contention of the defendants that the word CLINIQ is derived from the word CLINIC meaning a facility associated with a hospital or medical school and that the letter "Q" instead of the letter "C" had been used so as to give the word CLINIC distinguishing characteristics. The applications of the defendant for registration of the mark SKINCLINQ STRETCH NIL in relation to cosmetics and toilets are being opposed by the plaintiffs. It is further the contention that the oppositions though pending have been filed beyond limitation. It is further the contention of the defendant that the trademark SKINCLINQ STRETCH NIL forms an integral and distinguishing feature of the product and trading style of the defendants; that the defendants are engaged in

manufacture and sale of prescription and bulk drugs and allied consumer products since 1984 and have a huge turnover; that the defendant has spent huge monies on advertising and marketing of SKINCLINIQ STRETCH NIL since the year 1999-2000; that the defendants have been using the said trademark since 1998-1999 and have acquired goodwill and reputation over the period of 11 years; per contra, the plaintiff's products are hardly seen in the market and the advertisements of the plaintiff are also recent only; that the present suit is an attempt by an multi national company to kill a indigenous company. The sale figures of the product with the label SKINCLINIQ STRETCH NIL have been cited.

25. It is further contended that SKINCLINIQ STRETCH NIL is not similar or deceptively similar to the plaintiff's trademark CLINIQUE; that the customers paying for the products are a affluent class having awareness of what they are purchasing; that the trade dress and design of the product of the defendant was entirely different from that of the plaintiff. The plea of delay, laches and waiver not only from 1998-1999 but w.e.f. 2006 when the plaintiffs admittedly became aware is also taken. It is further the contention that word CLINIQUE is descriptive and common expression incapable of monopolistic use.

26. The senior counsel for the defendants has also repeatedly urged that the defendants owing to the ex-parte order are suffering loss of Rs. 1 lac per day and of which there is no way of compensation in the event of the plaintiffs ultimately not succeeding in their claim and that in the meanwhile irreparable loss would be caused to the defendant.

27. It is further argued by the senior counsel for the defendant that the rectification application filed by the plaintiffs ought to be dismissed under the Proviso to Section 9(1) or under Sections 31 or 32 in as much as the defendant's mark had acquired distinctiveness.

28. Since, the senior counsel for the defendant had argued that there could be no case of infringement against a registered proprietor, it was contended that in an action for passing off, deceptive similarity is the essence. There was no deceptive similarity in the present case. The products of the plaintiff and the defendants were entirely different. While the products of the plaintiff were highly priced, above Rs. 1,000/- or Rs. 1,500/-, that of the defendant was an Ayurvedic Medicine and priced at less than Rs. 200/-; that the plaintiff was not in the business of marketing any cream for the purposes of removal of stretch marks; that a search on Google would show a large number of persons and businesses using the mark CLINIQ; that the word CLINIQUE as of the plaintiff was a French word and in fact the pronunciation was also different; that while the plaintiff's mark was with a huge logo of "C", there was no such logo on the defendant's mark; the trade dress, packaging and colour combination was different; that the mark of the defendant was SKINCLINIQ and not CLINIQUE alone. On inquiry it was informed that SKIN was not merely a prefix but was descriptive. It was also argued that the defendant's mark in fact was STRETCH NIL and about the said marks STRETCH NIL, the words SKINCLINQ were mentioned to show the nature

of the product - in fact it is **STRETCH NIL** which is in bold and SKIN CLINI^Q is written in comparatively smaller font which is not even visible from a distance. It was further contended that had the intention of the defendant been to copy or ape the plaintiff, the defendant would have used CLINIQUE rather than "Q" only. The products of Kaya Skin Clinic were also shown to contend that SKIN CLINI^Q was only indicative of medicinal/therapeutic quality.

29. Besides relying on Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories AIR 1965 SC 1980 on the principles of passing off and the test being of deceptive similarity, not similarity, reliance was also placed on Cadila Healthcare Ltd. v. Gujrat Cooperative Federation Ltd. and Anr. 2008 (36) PTC 168, Cadila Healthcare v. Dabur India Ltd. 2008 (38) PTC 130 both in relation to sugar free, where the interim injunction was not granted.

30. On the aspect of delay and laches, main thrust was placed on Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., and it was urged that the criteria for the grant of interim injunction had to be entirely different where the defendant was a running concern as in the present case, in contra distinction to the case where the defendant had recently started or was yet to start. I may notice that the defendant has filed a number of magazines containing the advertisements of the product **STRETCH NIL SKIN CLINIQUE** of the defendant and from which the sales by the defendant of the said product since 1999 cannot be doubted.

31. Balsara Hygiene Products v. Aksaar Enterprises 1997 PTC (17) 266 and BL & Co. v. Pfizer Products INCI 2001 (21) PTC 797 were cited to urge that merely giving of notice does not cure delay.

32. It was further argued that in the case of the present nature, the plaintiffs are required to prove by leading evidence that its product though not admittedly sold in India till 2007 enjoyed the Trans border reputation so as to be entitled to injunction. It was stated that the product of the plaintiffs is not like Mercedes and not a well-known product and the plaintiffs are yet to establish that they had any goodwill or reputation. It is urged that the plaintiffs had no reputation in India when the defendant adopted the mark in the year 1998. It was thus urged that the balance of convenience was in favour of the defendant and in refusal of the interim injunction claimed.

33. The plaintiff's action was stated to be totally frivolous and vexatious and relief and actual costs on the application for injunction and for during the period of operation ex-parte injunction were also claimed. On inquiry, the counsel for the defendant after taking instructions informed that the defendant is using the mark SKIN CLINI^Q only on the STRECHNIL product aforesaid and on no other product.

34. I had put it to the senior counsel for the defendant also and am of the opinion that in cases such as of the present nature the order of injunction if the plaintiff is otherwise found entitled to, ought not to be declined merely because it

is the interim stage. In my view, in cases such as the present one, awaiting evidence cannot be of much significance. Even if one or two witnesses on the side of the plaintiffs were to depose of the huge reputation and goodwill of the plaintiff and knowledge thereof notwithstanding non-availability thereof in India till 2007 and a few witnesses on the side of the defendant to depose in the negative, the same would not make any difference. The court even then, as it can now, of its own experience and view of the prevailing conditions has to adjudicate on the entitlement to injunction.

35. I had, at the beginning, of the hearing only put to the senior counsel for the plaintiffs as to whether the distinctiveness, if any, in a mark CLINIQUE of the plaintiff had not been diluted by the wide scale advertisement and marketing and sale of the product CLINIC Shampoo in India. It was informed that the same is manufactured and marketed in India by Hindustan Lever Ltd. and the plaintiff has a worldwide agreement with Levers Ltd. whereunder the plaintiffs are not to enter the field of Shampoo and Hindustan Lever Ltd. is not to enter the field of cosmetics and perfumery under the mark CLINIC. Exemption was sought and granted from filing the said agreement for the reasons of confidentiality.

36. Having prefaced as aforesaid I now proceed to consider the claim of the plaintiffs to injunction.

37. It is the contention of the defendant also that the products of the plaintiffs are meant for highest echelon/strata of the society and are highly priced. The consumers of the said product, in my view, because of travel and circulation of foreign magazines and word of mouth would be aware of the brand/trademark CLINIQUE of the plaintiffs. Thus, it cannot be said that merely because the plaintiffs had no sales in India till 2007, the products of the plaintiffs could not be known or could not have a reputation in India. The plaintiffs are an affiliate/associate of EsteeLauder a world renowned giant in the field of cosmetics. Moreover, the international barriers have been successively melting in the last 10 to 15 years. If the trademark of the plaintiffs is well known internationally and which has not been contested by the defendant also, then in my view considering the targeted customers, it cannot be said that it is not well known and does not have a reputation in India. In the court, a wide range of products of the plaintiffs have been shown not only by both the parties, the senior counsel for the defendant also handed over download of the same from the internet. Though the plaintiff had at the time of ex-parte hearing and even now laid emphasis on the defendant having copied the green colour of the plaintiff but I find that it is not as if the plaintiff has been using green colour only on all its products. The wide range products of the plaintiffs come in all, hues, shapes and sizes. They are not necessarily exclusively under the trademark CLINIQUE and do not necessarily have the "C" logo. The word CLINIQUE is used by the plaintiffs also in conjunction with other words as various trademark registrations of the plaintiff itself would show.

38. Not only so, the very fact that the plaintiffs had registrations in India since

the year 1981 would also show that the plaintiffs considered India as a territory where depending upon governmental and political restrictions, it intended to market its goods and/or where it intended to protect itself from infringement.

39. Seen in the aforesaid light, the action of the defendants who are engaged in the same business and to whom the presumption of knowledge of the plaintiff's trademark has to be necessarily imputed, appears to be not above board. In my view, not much distinction from the words "Q" or "QUE" can be inferred. What the mind retains is that the mark of the plaintiffs is spelt differently from "NIC" and a customer cannot be expected to remember whether it was "Q" or "QUE". All that will be associated with the plaintiffs is CLINIQ with or without "UE"

40. Another interesting aspect is that the defendant has from day one given emphasis/prominence to STRETCH NIL. In fact of the words SKIN CLINIQ written in much smaller font thereupon also, the word CLINIQ is shaded in colour green. If the intent of the defendant was to market its product under the name STRETCH NIL, which during arguments also it was contended that the trademark of the defendant was, why did the defendant opt not to register STRETCH NIL but chose to register SKIN CLINIQ. No explanation was offered for the same. I am firmly of the opinion that the defendant used the word CLINIQ with the prefix SKIN in an attempt to show that the said product of the defendant was in some way or the other associated with the plaintiffs and to thereby pass off its goods as that of the plaintiff.

41. In this respect, I also find the endorsement on the said products of the defendant "Made in India by Gufic Bio Sciences Ltd." to be intriguing. The name of manufactures in the product of Kaya Skin Clinic shown by the defendant is described with the words "Manufactured By". I had inquired from the senior counsel for the defendant the reason for so writing and as to whether the defendants were manufacturing the said product outside India also. The answer after instructions was in the negative. This also leads one to believe and gives an impression that the defendant was making the STRETCH NIL cream in India under licence from or in association with the plaintiffs whose trademark CLINIQUE, of course as CLINIQ appears immediately above STRETCH NIL.

42. The invoices filed by the defendant, which of course have been described by the senior counsel for the plaintiffs merely as stock transfer and not proof of any sales, also describe the product as STRETCH NIL and not SKIN CLINIQUE. The argument of the senior counsel for the defendant himself was that SKIN CLINIQ is not even visible from a distance. A customer is thus expected to know the product and as in fact it appears from the face/packaging of the product itself and its advertisement as STRETCH NIL only and not as SKIN CLINIQ. If that be so, then I fail to see as to what loss the defendant could be suffering or will suffer if enjoined from using the word CLINIQ. It is not as if the defendant is being restrained from using its trademark STRETCH NIL or from marketing its product. The adoption by the defendant of the word CLINIQ with the expected knowledge of trademark of the plaintiffs is found to be thus dishonest and

intended to take advantage of the goodwill of the plaintiff.

43. The argument of the defendant of there being a large number of other users and the word CLINIQUE also does not impress me. Firstly, none of them are shown to be in relation to the same products as the plaintiffs and merely because of the said reason, the plaintiff if otherwise found entitled to injunction against the defendant, cannot be denied so.

44. In the catalogue of the products of the plaintiffs handed over by the senior counsel for the defendant is a product CLINIQUE DERMA WHITE. The defendant had disclosed registration in the name of DERMA CLINIQ. Is there likely to be confusion between CLINIQUE DERMA WHITE and DERMA CLINIQ" The answer, in my opinion, has to be necessarily in affirmative.

45. There is yet another aspect of the matter. The question of infringement/passing off has to be seen under the Indian context, marketing conditions and users. Cosmetics in India are not sold at exclusive stores; they may be expected in a few large malls in the recent times. The cosmetics here are generally sold in chemist shops, generally of small sizes, departmental stores or even in provision stores. Cosmetics are applied in beauty parlors; found at each and every nook and corner of every lane in cities and town of all sizes. Such services are also available on call where beauty products are carried to customers in vanity boxes. The possibility of deception, infringement, passing off has to be seen in those conditions and circumstances and not where a customer has all the time in the world to inspect, examine and discern. The beauty saloons/parlors in India are well-known to refill the cartons of well known brands with local products. In these circumstances, the possibility of the goods of the defendant being palmed off and applied as that of the plaintiffs and the query if any of a customer choosing to see the name of the manufacturer being answered with the defendant making STRETCHNIL in India under licence from the plaintiff when such arrangements are now well known, is extremely high.

46. Though, the senior counsel for the defendant choose not to argue on infringement, having argued that there cannot be infringement of a registered trademark, I otherwise find the mark of the defendant to be satisfying the test of infringement as laid down in Section 29.

47. However, prior thereto, the test of prima facie validity of registration of the mark of the defendant has to be applied. The registration of the plaintiff is undoubtedly prior in point of time. Section 9 lays down the absolute grounds for refusal of registration. Section 9(1) provides that trademarks which are devoid of any distinctive character or which designate the quality or intended purpose of goods shall not be registered. One of the contentions of defendant has been that SKIN CLINIQ is indicative of the clinical/therapeutic nature of its product STRETCH NIL. If that is so, then registration of SKIN CLINIQ fails the test in Section 9(1)(a) & (b). No evidence of distinctiveness led before the Registrar is shown. Similarly, no prima facie evidence of having post registration acquired

any distinctiveness has been shown. On the contrary reliance was placed on Kaya Clinic. I have already held that use of CLINIQ by the defendant is likely to deceive the public and cause confusion, owing to similarity with plaintiffs prior registered trademark. Thus, the bar of Section 9(2)(a) is also attracted. Section 11 prescribes the relative grounds for refusal of registration. One such ground in Section 11(1)(a) is because of its identity/similarity with earlier trademark and similarity of goods or services covered by the trademark coupled with likelihood of confusion including likelihood of association with earlier trademark. Section 11(2) deals with well known trademark in India. Well known trademark is defined in Section 2(zg) - the test there is vis-?-vis the segment of the public which uses such goods. I have already found above in this regard. The mark CLINIQUE of the plaintiffs in my view satisfies the test of a well known trademark also. The argument of senior counsel for plaintiffs of the bar of Section 11(1) not requiring any opposition even has already been noticed above.

48. Nothing has been shown that the Registrar at the time of registering the mark of the defendant considered the question of identity/similarity of mark of defendant with that of plaintiffs, since there was identity/similarity of goods covered by the said mark.

49. Prima facie it appears that the registration of the mark of the defendant suffers from non compliance of requirements of Section 11(1) & (2). From the arguments of defendant before this Court, no satisfaction of ingredients of Section (1)(a) & (b) is also made out.

50. Once having reached the aforesaid conclusion, there can be no doubt that if the mark of the defendant were to be held to be invalidly registered, a case of infringement u/s 29 is made out. It cannot be lost sight of that CLINIQUE also forms the dominant part of the trade name itself of the plaintiffs. The products of both are cosmetic and beauty enhancing.

51. The senior counsel for plaintiff has also relied upon:

a. Judgments/orders, copies of which have been filed, where the mark of the plaintiffs has been protected.

b. Judgments of the single judge, Division Bench and Apex court in Whirl Pool v. N.R. Dongre that the test of, knowledge of Indians from frequent travels abroad, first there principle had been applied and also on the aspect of delay.

c. Milmet Oftho Industries and Others Vs. Allergan Inc., on worldwide reputation and First to Market Test. The factum of plaintiffs having admittedly commenced marketing here makes the exception carved out in para 8 of judgment inapplicable to the plaintiffs.

d. Judgments in William Grants, Benz and Caterpillar cases on the aspect of dilution.

e. Judgment of Allahabad High Court in case of Bata in support of, there being no

reason for defendant to adopt CLINIQ except to take advantage of goodwill of plaintiff, the consumers believing that STRETCH NILL was also from the house of plaintiff and the possibility of injury to plaintiff by defect in quality of goods of defendant under the similar/deceptively similar mark.

f. Judgment of this Court in Hindustan Pencils and in Ansul Industries v. Shiva Tobacco Co. (2007) 34 PTC 392 & of Apex court in Midas Hygiene on the defence of laches being not available if adoption is dishonest.

g. Judgment in Mahindra case and Indian Shaving Products Ltd. to canvass that CLINIQUE has acquired secondary meaning associated with plaintiffs only.

h. Judgment in Essel Packaging and Info Edge (India) Pvt. Ltd. v. Shailesh Gupta (2002) 24 PTC 355 (Del) to canvass that merely because others are also using the mark is no justification for the defendant to do so.

i. Judgment in Century Traders, on test being of prior user.

j. Judgments in Cibaca, Dunhill cases on distinctiveness.

k. Power Control Appliances (Supra) and Beiersdorf A.G. Vs. Ajay Sukhwani and Another, on what is acquiescence. Ramdev Food Products was also cited in this regard.

l. Yash Arora Vs. Tushar Enterprises and Others, to urge that the plaintiffs as anterior user of the mark were also entitled to relief on principles of passing off, notwithstanding registration in favour of defendant.

m. Finally the The Tata Iron and Steel Co. Ltd. Vs. Mahavir Steels and Others, on need to curb imitation.

52. The senior counsel for defendant, in addition to judgments cited & noted above, also relied upon: a. Judgment of this Court in Austin Nicholas. However, I do not find the said judgment to be advancing the case of defendant in any manner. In this it was held that merely because the defendant was first past the post in India would not confer on it any benefits if the plaintiff is the prior user. In this case, I find that the plaintiff being the prior user, registration in favour of defendant since, 1998, will not deprive the plaintiff of the relief. b. T.T.K. Prestige Ltd. v. Harprasad Gupta 1999 PTC 72 Del. and P.M. Diesels Private Limited Vs. Thukral Mechanical Works, on concurrent use right u/s 28(3) and relief of injunction being not maintainable. However in these, the provision as in Section 124(5) of 1999 Act was not concerned. c. Gillette Company case on relevancy of prior use in India. However, in this case the registration of plaintiff in India was subsequent to use by defendant of the mark in India, unlike in the present case. The passage from THE LAW OF PASSING OFF by Christopher Wadlow on the relevance of delay at the stage of grant of interlocutory relief, cited in this judgment was also read. Reliance was also placed on Shri Gopal Engg. and Chemical Works Vs. M/s. POMX Laboratory, , B.L. & Co. v. Pfizer Products 2001 PTC 797 (Del) (DB) and Balsara Hygiene Products Ltd. v. Aksaar Enterprises

1997 PTC 17 was also placed in this regard. In the latter, it was held that giving of notice did not cure delay. d. Finally Websters dictionary qua "CLINIC" was shown to urge that the word had been derived from "CLINIQUE" of Greek language. In my view this is also irrelevant. In English language, the word is CLINIC only and not CLINIQUE and the plaintiff being the prior user of CLINIQUE in relation to same products, even if being the source of the word in English language, would not give the defendant a right to use CLINIQUE for products targeted at consumers knowing English and not Greek.

53. At this stage, the contention of the senior counsel for defendant on the basis of judgments with respect to Sugar Free needs to be dealt with. In the case against Dabur, this Court found the words to be descriptive of the product and used as a catchy legend and not as a brand name or trademark and which in conjunction with the well known brand Dabur were found not capable of causing any confusion qua plaintiffs goods. In the other case against Gujarat Cooperative Milk Marketing Federation, the possibility of confusion was not ruled out and though interim injunction was not granted, directions for change were issued to the defendant therein. However, in the present case I have found the possibility of deception and the word CLINIQ to be not descriptive but indicating a connection of product of defendant to the plaintiff. STRETCH NIL, by no stretch of imagination can be equated to Dabur Chyawanprakash in terms of popularity. Thus merely because it was held that use of Sugar Free of plaintiff in that case on Dabur Chyanprakash could cause no confusion does not persuade me to hold that use of STRETCH NIL by defendant along with mark similar/deceptively similar to plaintiffs is enough to distinguish the goods of defendant from that of plaintiff.

54. The injury to the plaintiff from continued use of their mark or a mark deceptively similar thereto by defendant is implicit. The argument of price difference in my view can cut both ways. Much lower price of the goods of the defendant than that of plaintiffs can lower the esteem in which the connoisseurs of the goods of the plaintiffs hold the same. Otherwise, as aforesaid, I find injury to the defendant in the event of ex-parte order being confirmed, to be much lower than that which the plaintiff will suffer if the defendant is permitted to continue using CLINIQ. The Annual Report, Invoices of the defendant do not show that till now, the marketability of the product of the defendant is dependent upon use of CLINIQ, which otherwise, till now forms insignificant and inconsequential part of defendant's product. If the defendant contends that its sales are dependent only upon use of CLINIQ, the defendant walks into the trap of riding on association with plaintiff. Conversely, CLINIQUE is the dominant mark of the plaintiff.

55. The actions of the plaintiff in the present case also do not show the plaintiff to have in any manner encouraged expansion of defendants trade under the mark under CLINIQ. On the contrary the conduct of the defendant of not replying to notices and even when finally replying not disclosing other registrations is

found to be one of hide and seek. The defendant appears to have been aware of the consequences and therefore attempted to defer the matters till possible. The plaintiffs immediately after they started sales in India and becoming aware of defendants product issued notices. The senior counsel for the defendant is correct that the version of plaintiff of their enquiries showing discontinuance of mark by defendant is not believable. However, juxtaposed against defendants conduct, no such case of waiver as to disentitle the plaintiff from relief is made out.

56. I.A. No. 217/2009 of the defendant under Order 39 Rule 4 CPC is dismissed. I.A. No. 2769/2009 of the plaintiff u/s 124(1)(ii) CPC is allowed. The rectification application filed by plaintiff prior to institution of suit is already pending. The pleadings in the suit having been completed, it is found that the pleas of the plaintiff regarding the invalidity of the other marks aforesaid of the defendant, already registered are prima facie tenable. The proceedings in the suit are adjourned u/s 124(1) pending the final disposal of rectification proceedings already instituted and to enable the plaintiff to apply for rectification of register regarding the other marks. The parties shall have liberty to apply for revival of suit as and when need arises. I.A. No. 15425/2008 of plaintiff under Order 39 Rule 1 & 2 is allowed. The ex parte order dated 16th December, 2008 is made absolute during the period of stay of the suit. The question of costs shall be considered at time of final disposal of suit. Needless to state that nothing said herein shall come in the way of the proceedings, pending which suit has been stayed.