

(2007) 05 SC CK 0127

In the Supreme Court Of India

Case No : Civil Appeal No. 2576 of 2007 (Arising out of S.L.P. (C) No. 59 of 2006)

Heinz Italia and Another

APPELLANT

Vs

Dabur India Ltd.

RESPONDENT

Date of Decision : 18-05-2007

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2
Copyright Act, 1957 — Section 63
Trade and Merchandise Marks Act, 1958 — Section 106, 29

Citation : (2007) 4 ALLMR 777 : (2007) 3 AWC 3155 Supp : (2007) 104 CLT 719 : (2007) 4 CTC 810 : (2007) 6 MhLj 7 : (2007) 35 PTC 1 : (2007) 7 SCALE 608 : (2007) 6 SCC 1

Hon'ble Judges : H. S. Bedi, J;B. P. Singh, J

Bench : Division Bench

Advocate : Arun Jaitley and A.M. Singhvi, Anuradha Salhotra, Rahul Chaudhry, Divya Vijan and K.V. Mohan, for the Appellant; Sudhir Chandra Hemant Singh, Bhagawati Prasad Padhy, Sachin Gupta, Dushyant K. Mahant, B.V. Niren and M. Veerappa, for the Respondent

Final Decision : Allowed

Judgement

Harjit Singh Bedi, J.—Leave granted.

2. This appeal arises out of the judgment and order dated 27th October 2005 of the Punjab and Haryana High Court whereby the order of the trial court dated 11th December 2003 rejecting an application moved by the appellants under Order 39 Rules 1 and 2 of the CPC praying for the grant of ad-interim injunction, has been confirmed.

3. The plaintiffs-appellants M/s. Heinz Italia S R L is the proprietor of the trademark "Glucon-D" which has been registered in India under Registration No. 305664 (Class 30) under The Trade and Merchandise Marks Act, 1958 (hereinafter called the "Act"). This trademark had earlier been registered in the name of Glaxo on 21st May, 1975 but subsequently vide deed of assignment

dated 30th September 1994 had been assigned to the first petitioner along with the goodwill etc. Glaxo Laboratories had also assigned their rights in the artistic work used on the packaging. The plaintiffs-appellants thereupon used the trademark "Glucon-D" and the "packaging" from the year 1994 to 2002 without any interference and established a very good name in the market. In July 2002, the appellants learnt that the defendant-respondent, Dabur India had launched a similar product under the name "Glucose-D" by using packaging which was deceptively similar to the packaging used for "Glucon-D". The appellants thereupon, through their Advocate, served a notice on the respondent calling upon it to desist from using the mark and the deceptive packaging, but as no satisfactory reply was forth coming, filed a suit for permanent injunction and accounts of profits for infringement of the trademark under Sections 29 and 106 of the Act and infringement of copy right u/s 63 of the Copyright Act. Along with the suit the appellants also filed an application under Order 39 Rules 1 and 2 of the CPC for the grant of an ad-interim injunction to restrain the respondent from using the trademark "Glucose-D" or any other trademark and deceptively similar packaging as well. In the plaint it was pleaded inter alia that the respondent was trying to impinge on the goodwill and reputation that the product "Glucon-D" enjoyed in the market. The respondent filed a written statement and took the plea that the word Glucose was a generic expression of the product being sold and as such no monopoly could be claimed by the appellants or anyone else on the said word or its derivatives. It was also pleaded that there was no similarity between the trademark "Glucon-D" and "Dabur Glucose-D" and that the packaging was also dissimilar. (It appears that the appellants have also filed a suit in the Calcutta High Court to stop the misuse alongwith an application for interim relief but on an application by the respondent, the proceedings in Calcutta have been stayed pending the decision of the present suit.) The trial Judge in his order dated 11th December 2003 held that the word "Glucose" was a generic word and as such the appellants could not claim that the use of the word "Glucose-D" violated their registered trademark "Glucon-D". The Court also rejected the plea that the packaging used by the respondent was deceptively similar by making an examination of the two sets of packaging and noticing the dissimilarities between the two. The application was accordingly dismissed. The appellants thereupon filed a first Appeal in the Punjab and Haryana High Court but that too was dismissed on 27th October 2005 confirming the judgment of the trial court. It is in these circumstances that the matter has come to this Court.

4. We have heard the learned Counsel for the parties at great length and examined the case law cited by them. At the outset, it must be pointed out that we are presently concerned only with the proceedings for ad-interim injunction claimed by the appellants under Order 39 Rules 1 and 2 CPC. We are accordingly confining ourselves to this limited aspect only, with the larger issues being left for decision in the suit.

5. Dr. Singhvi, the learned senior counsel for the appellants has first and foremost argued that the mark "Glucon-D" used by "Glaxo" since the year 1940

had been registered as a trademark in the year 1975 whereas it appears that the term "Glucose-D" had come into use some time in the year 1989 and as prior user was a cardinal test in cases of infringement and "passing off, this fact alone would suffice for the purpose of securing an order of ad-interim injunction. He also pleaded that as the packaging in green and the depiction of a "happy family" superimposed thereon had been used by the appellants since the year 1980 and by Glaxo for about decade earlier, the prior user also stood proved on record, and an injunction should thus follow. He has in this connection placed reliance on Century Traders Vs. Roshan Lal Duggar Co., ; Century Traders Vs. Roshan Lal Duggar Co., and Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., . He has also pleaded that the mark "Glucon-D" with its packaging had earned a reputation in the market and it was the intention of the respondent to dishonestly appropriate his goodwill which was impermissible in view of the judgments reported in Corn Products Refining Co. Vs. Shangrila Food Products Ltd., and in Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, . It has further been pleaded that the word "Glucose-D" was not a generic word but even assuming it to be so, an injunction could still follow in special circumstances and reference has been made to Godfrey Philips India Ltd. Vs. Girnar Food and Beverages Pvt. Ltd., It has accordingly been prayed that the appellants were entitled to an order of injunction in the matter.

6. Mr. Sudhir Chandra, the learned senior counsel for the respondent has, however, argued that the application for ad-interim injunction had been declined by two courts and as the respondent had been using the word "Glucose-D" and the packaging since the year 1989 and the suit had been filed after many years i.e. in 2003 was a good reason for refusal to exercise the discretion in favour of the claim for interim relief. Reliance for this argument has been placed on Wander Ltd. and Another Vs. Antox India P. Ltd., .

7. It has also been pleaded that it had to be shown by the appellants that the word "Glucon-D" and the packaging which they claim as their own was deceptively similar to the respondent's product and had acquired a unique reputation in the market but no such evidence had yet come on record to justify an order of ad-interim injunction. Reliance has been placed on J.B. Williams v. H. Bronnley 26(1909) RPC 765 in support of this argument.

8. Mr. Sudhir Chandra has further pointed out that the courts below had rightly held that the word "Glucose" was a generic word and could not be appropriated by anybody and that even if its exclusive use could be justified in some extraordinary situation the decision could be arrived at only after evidence had been recorded. He too has relied on Godfrey Philips India's case (supra) in support of this argument.

9. We first take up the objection raised by Mr. Sudhir Chandra i.e. with regard to the interference of this Court in an application for ad-interim injunction. It has been held in Wander Ltd. case (supra) that an interlocutory injunction under Order 39 Rules 1 and 2 of the CPC is in the nature of a discretionary relief and

that interference should not be made when two courts have gone against a party. We however find from the facts of the case that in that matter the ad-interim injunction had been held to be rightly refused as the opposite party had claimed and proved prior user on which the passing off action was based. In the present case, however, the fact that the "Glucon-D" and its distinctive packaging had been used by Glaxo since the year 1940 and thereafter by the appellant long before it had been used by the respondent is clear on record. We also find that the challenge in these proceedings is to the mark and packaging used in Gurgaon from the year 2000. We therefore reject the first argument raised by Mr. Sudhir Chandra.

10. We have also considered the arguments with regard to the prior user of the trademark "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 the case of Century Traders (supra) 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 (supra) also laid down the tests in the case of passing off and observed as under:

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 some body. 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 *Erwin Warnink BV v. J. Townend & Sons* 1979 (2) AER 927, 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 trade (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.

11. Likewise, it has been repeatedly held that before the use of a particular mark can be appropriated it is for the plaintiff to prove that the product that he is representing had earned a reputation in the market and that this reputation had been sought to be violated by the opposite party. In *Corn Products* case (supra) it was observed that the principle of similarity could not to be very rigidly applied and that if it could be prima facie shown that there was a dishonest intention on the part of the defendant in passing off goods, an injunction should ordinarily follow and the mere delay in bringing the matter to Court was not a ground to defeat the case of the plaintiff. It bears reiteration that the word "Glucon-D" and its packaging had been used by Glaxo since 1940 whereas the word "Glucose-D" had been used for the first time in the year 1989. In *Cadila Healthcare* case (supra), it has also been held that in the case of a passing off action the

similarities rather than the dissimilarities have to be taken note of by the Court and the principle of phonetic "similarity" cannot be ignored and the test is as to whether a particular mark has obtained acceptability in the market so as to confuse a buyer as to the nature of product he was purchasing. We observe that the both Glucon-D and Glucose-D are items containing glucose and to us it appears that there is remarkable phonetic similarity in these two words. We have also examined the packaging of the product and specifically Annexure P.6 (colly). Item D of Annexure P-6 is the packaging in dispute. It will be seen that the colour scheme of Glucose-D and Glucon-D is almost identical with a happy family superimposed on both. Mr. Chandra has however pointed out that in Glucose-D the happy family consisted of four whereas in the case of Glucon-D the family was of three and as such the two were dissimilar. We are of the opinion however that the colour scheme and the overall effect of the packaging has to be seen. We have also examined Item D individually which is the exclusive packaging for Glucose-D; the one on the extreme left being the packaging in the year 1989, the one in the middle being the one for the year 2000 (which is impugned in the present suit) and the third on the extreme right which is the subject matter of the suit in Calcutta which has been stayed on the application made by respondent. We are of the opinion that the packaging of Glucose-D is Glucon-D is so similar that it can easily confuse a purchaser. We also feel that mere fact that the respondents have time and again made small changes in their packaging is an attempt to continue to mislead the purchaser and to make it more difficult for the appellants to protect their mark, which the record shows has acquired an enviable reputation in the market which is sought to be exploited by the respondent.

12. It is true that certain issues have been raised by Mr. Chandra which necessitate a consideration of the evidence such as the plea based on Godfrey Philips case (supra) but we are of the opinion that the case of prior user of the mark is a fact which needs no evidence in the present circumstances.

13. We accordingly set aside the order of the trial court dated 11th December 2003 and the order of the High Court dated 27th October 2005. However, as this order is confined only to the limited question of an ad-interim injunction, any observation made in this order would not bind the trial Judge in the proceedings in the suit. The application for ad-interim injunction is accordingly allowed in terms of prayer Clause (ii) of the application. The Civil Appeal is disposed of.