

(2005) 09 DEL CK 0124

In the Delhi High Court

Case No : IA 2915 of 2004 in CS (OS) 476 of 2004

Hindustan Pencils Ltd.

APPELLANT

Vs

Puma Stationery Ltd.

RESPONDENT

Date of Decision : 02-09-2005

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4

Citation : (2005) 09 DEL CK 0124

Hon'ble Judges : Madan B. Lokur, J

Bench : Single Bench

Advocate : Manmohan Singh, for the Appellant; Hemant Singh, for the Respondent

Final Decision : Dismissed

Judgement

Madan B. Lokur, J.—By this order, I propose to decide is No. 2915 of 2004, which is an application filed by the plaintiff under Order XXXIX Rules 1 and 2 of the CPC (CPC) for an injunction restraining the Defendants from, in any manner, dealing with erasers or any other allied goods under the trademarks Plasto and No dust, which are similar to the trademarks Plasto and "Non dust" used by the plaintiff on its erasers, so as to pass off its goods as those of the plaintiff. An ex parte interim injunction was granted on 6th May 2004 and this was argued for confirmation on 6th July 2005 when orders were reserved.

2. The Defendants filed is No. 4129 of 2004 under Order XXXIX Rule 4 of the CPC for vacation of the ex parte ad interim injunction. Although no separate arguments were advanced in respect of this application, learned Counsels agreed that the decision in is 2915 of 2004 would also dispose of is No. 4129 of 2004 This order will, Therefore, dispose of is 4129 of 2004 also.

3. The plaintiff is an established manufacturer of stationery items such as pencils, erasers, sharpeners etc. since 1957. It sells its products under the trademarks Nataraj and Apsara of which it is a registered proprietor.

4. Some time from August 1989 onwards, the plaintiff started manufacturing and selling Nataraj Plasto erasers and in August 1993 the plaintiff started manufacturing and selling Apsara Non dust erasers. The plaintiff applied for registration of the trademarks Plasto and Non dust and these were pending consideration with the concerned authorities. During the pendency of the present proceedings, the applications for registration of the trademarks are said to have been allowed. Quite apart from this, the plaintiff says that it has had considerable success in the marketing of its erasers over the years and has produced the sale figures and advertising expenses for each of these products. It is submitted by the plaintiff that Plasto and Non dust have acquired a secondary meaning associated with the erasers of the plaintiff.

5. Defendant No. 2 Faber Castell is a subsidiary of A.W. Faber Castell Aktiengesellschaft, an internationally recognized German company also concerned in the manufacture and sale of stationery items, including wax crayons, pencils and erasers. According to the plaintiff, it came to know in February 2004 that Defendant No. 2 is manufacturing erasers and selling them through Defendant No. 1 under the names Plasto and No dust. According to the plaintiff the Defendants are trying to pass off their goods as those of the plaintiff. On these broad facts, the plaintiff has sought an injunction restraining the Defendants from doing so.

6. The Defendants have, of course, denied the allegations of the plaintiff and contend that they have been selling their erasers under the trademark Faber Castell and are using the words No dust and Plasto in respect of such erasers since September 2000 and May 2003 respectively. According to the Defendants, these words are generic terms used to describe the erasers; they convey the property, characteristic and quality of the goods and so the plaintiff cannot claim to have any monopoly over the use of these words. It is denied that the words "Non dust" and "Plasto" have acquired a secondary meaning associated with the products of the plaintiff.

7. There is no dispute that the goods of the plaintiff are sold under the trademark Nataraj and Apsara, while those of the Defendants are sold under the trademark Faber Castell. There can be no question of any infringement or passing off in so far as these two trademarks are concerned, and indeed this was not even contended by learned Counsel for the plaintiff.

8. The limited controversy is whether the Defendants are passing off their Faber Castell Fluoro Plasto and "Faber Castell QT Plasto" and Faber Castell No dust erasers as those of the plaintiff, that is, Nataraj Plasto and Apsara Non dust and if so whether the plaintiff is entitled to injunct the Defendants from doing so. To decide this controversy, it is necessary to first adjudicate whether the words Plasto and Non dust used by the plaintiff have acquired a secondary meaning and are inextricably linked to the erasers of the plaintiff.

9. There is no dispute, and indeed there cannot be, that the words Non dust or

No dust are not coined words they are words used in common language. How they came to be used for erasers is rather interesting. It is mentioned in the written statement of the Defendants that prior to 1989, erasers suffered from the problem of creating dust or flakes when rubbed against paper. This not only required cleaning the paper surface after use but also damaged the paper. In 1989 a new technology was used in China whereby the dust or flakes stick together and form a roll that can be easily removed while protecting the paper - hence the expression Non dust or No dust.

10. Similarly, the word Plasto is also apparently not a coined word "it is found in Webster's Third New International Dictionary of the English Language (Unabridged) and essentially means or suggests a plastic or a moulded use of plastic formulation.

11. According to learned Counsel for the Defendants, the use of the words "No dust" and "Plasto" on their erasers is the use of generic terms or in any case of descriptive terms which the plaintiff cannot monopolize for use on its erasers.

12. That a common English language word (or a combination of words) can acquire a distinctive meaning or affiliation with a particular product is not unknown. When it does so, the word acquires what learned Counsels describe as a secondary meaning to that word. A word or a combination of words acquire a secondary meaning, as explained by the Supreme Court in *Godfrey Philips India Ltd. Vs. Girnar Food and Beverages Pvt. Ltd.*, , if they are identified with a particular product or a particular source. Sometimes, a word or a combination of words acquire a secondary meaning synonymous with a certain standard of goods or services as in *Mahendra and Mahendra Paper Mills Ltd. Vs. Mahindra and Mahindra Ltd.*, (paragraph 24 of the Report). Reference in this context may also be made to *Globe Super Parts v. Blue Super Flame Industries*, 1986 (6) PTC 235 (Del) : AIR 1986 Del 245, *Three-n-Products Pvt. Ltd v. Yashwant and Ors.*, 2002 (24) PTC 518 (Del) and *Registrar of Trade Marks Vs. Hamdard National Foundation (India)*,

13. So far as the present case is concerned, whether the words Non dust and Plasto used by the plaintiff have acquired a secondary meaning to the extent that they are identified with a particular product (an eraser) or a particular source (the plaintiff) or a certain standard of goods is essentially a question of fact that can be decided only after evidence is led by both the parties.

14. It is true that in some situations, it may be possible to adjudge at an interlocutory stage whether a word or a combination of words have acquired a secondary meaning or not, but those situations would have to be rare and an extremely strong prima facie case would have to be made out by the plaintiff. In this regard, it is worth noting that learned Counsel for the Defendants has rightly pointed out that the words Non dust and Plasto used by the plaintiff are not stand-alone words but are always used Along with the registered trademarks Apsara and Nataraj respectively. In other words, the competing words are really

not Non dust and No dust but Apsara Non dust and Faber Castell No dust. Similarly, it is not Plasto competing with Plasto but Nataraj Plasto competing with Faber Castell QT Plasto or Faber Castell Fluoro Plasto. What impact the trademarks Apsara, Nataraj and Faber Castell have on the mind of the consumer in conjunction with the other words, as well as the get up of the erasers, the colour combination, packaging etc. cannot be judged at this prima facie stage.

15. This is not to dent the proposition canvassed by learned Counsel for the plaintiff to the effect that a word or mark can acquire a secondary meaning by virtue of its user "it certainly can" but the question is what stage can such recognition be accorded.

16. Learned counsel for the plaintiff contended that his client has obtained several injunction orders passed by different Judges of this Court in respect of the same products and that this is a factor that should weigh in favor of the plaintiff. These orders have been filed Along with the plaint. I find, however, that all the orders are either ex parte or compromise decrees" there is no contested order sought to be relied upon by learned Counsel. Surely, these cannot serve as binding precedents in a contested matter.

17. Learned counsel for the plaintiff contended that his client has huge sales of Nataraj Plasto and Apsara Non dust erasers for several years and has also spent a huge amount in advertising its product. While this may be so, it cannot be forgotten that the plaintiff has been in the business of manufacturing and selling stationery items for almost five decades. It has been selling the subject erasers for several years and would certainly have a much larger market share than the Defendants, who have entered the market fairly recently. This would certainly be a strong factor in favor of the plaintiff, but it still does not lead to the conclusion that the words Non dust and Plasto have acquired a secondary meaning such that the erasers of the plaintiff can be marketed and sold by the plaintiff, absent use of the trademarks Apsara and Nataraj respectively.

18. It is now well accepted that an action for passing off is a common law remedy being in substance an action for deceit. [See Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, (paragraph 28 of the Report)]. For the grant of an injunction in such a situation, among the factors to be considered are the overall get up of the competing marketed products and the trademark under which they are being sold. One has then to ask the question: would these mislead the unwary customer? If the answer is in the affirmative, an injunction must be granted. But, in a case such as the present, the importance of a sub-brand name (which is how learned Counsel for the plaintiff described the words Non dust and Plasto) in the overall scheme of things can only be decided on evidence. At that stage the sub-brand name may assume greater importance than I am prepared to give it, but since a clear-cut answer is not obvious today, I think it would not be proper to continue with the ex parte ad interim injunction. Accordingly, the exparte ad interim injunction dated 6th May, 2004 is vacated. The plaintiff will pay to the Defendants costs of Rs. 15,000/- within four weeks

from today.

19. Against the ex parte ad interim injunction, the Defendants had filed an appeal being FAO (OS) No. 115/2004. When the appeal was taken up for hearing on 9th June, 2004, it was submitted by learned Counsel for the Defendants that stocks worth Rs. 7,00,000/- were lying with his clients and they may be allowed to sell the same. Learned counsel for the plaintiff then submitted that his client is ready and willing to deposit an amount of Rs. 7,00,000/- in this Court to compensate the Defendants in the event of their appeal being allowed.

20. Subsequently, on 18th June, 2004, the Division Bench clarified that the amount of Rs. 7,00,000/- deposited by the plaintiff would be the security amount against stocks and that the said deposit is subject to the outcome of the injunction application.

21. Now that the injunction application has been dismissed by this order, the Defendants are entitled to sell the stocks available with them. As compensation for the loss that has been caused as a result of the injunction, interest on the amount of Rs. 7,00,000/- deposited in the Registry of this Court will be released to the Defendants by the Registry within four weeks from today. However, the principal amount of Rs. 7,00,000/- will be returned to the plaintiff by the Registry within four weeks from today.