

(2003) 01 DEL CK 0063

In the Delhi High Court

Case No : I.A. No"s. 9981 and 10560 of 2002 in Suit No. 1746 of 2002

ICC Development (International) Ltd.

APPELLANT

Vs

Ever Green Service Station and Another

RESPONDENT

Date of Decision : 01-01-2003

Acts Referred:

Citation : (2003) 2 AD 707 : (2003) 102 DLT 723 : (2003) 26 PTC 228 : (2003) 1 RAJ 426

Hon'ble Judges : Surinder Kumar Aggarwal, J

Bench : Single Bench

Advocate : Rajiv Nayar, Sameer Oberoi, K. Datta, Dahlia Sen Oberoi, Gayatri, Manish Srivastava and Shaloo Stanly, for the Appellant; Manmohan Singh, Sadhna Sharma, Chander Shekhar, Surinder Singh and Parveen Rastogi, for the Respondent

Judgement

S.K. Agarwal, J.—This order will dispose of the plaintiff's application under Order 39 Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 (for short "CPC") for temporary injunction restraining the defendants from misappropriating the publicity rights of the plaintiff as well as defendants' application under Order 39 Rule 4 read with Section 151, CPC for vacation of ad-interim injunction order dated 29th October, 2002.

2. Brief facts are that plaintiff-ICC Development (International) Limited has filed the suit for injunction against Ever Green Service Station and Hindustan Petroleum Corporation Limited (hereinafter, "HPCL") pleading that the plaintiff-company is formed by members of International Cricket Council to own and control all commercial rights including media, sponsorship and other intellectual property rights relating to ICC events. plaintiff is the organizer of the "ICC Cricket World Cup 2003" to be hosted in South Africa, Zimbabwe and Kenya from February 8, 2003 till March 23, 2003 (hereinafter, "the Event"). In the events organized by the plaintiff best International teams compete in an atmosphere that celebrates a love for the game. These events are eagerly awaited by

majority of the Indian public, as their love for cricket is well known. The ICC events have acquired "identity" or "persona" of their own and the same vest entirely and exclusively in the plaintiff. The World Cup is organized every four years and has come to be associated exclusively with the plaintiff. Major events, such as the World Cup, having publicity value have become important vehicles for promotion and advertising. Organizers of such events require monetary payment for participation in their promotional value and such financial contributions are taken from sponsorships. The companies pay large sums of money for plaintiff's events and in return such companies are given exclusive rights to associate themselves and their brands with the event. "ICC Cricket World Cup South Africa 2003" is the trade name and property of the plaintiff. They have made enormous efforts and spent huge amounts of money in popularizing the words "ICC World Cup", "Cricket World Cup, 2003" and "ICC World Cup 2003". The plaintiff has created a distinct phrase "ICC World Cup South Africa 2003" logo and a mascot-"Dazzler". The logo denotes the black and white striped colours of the Zebra, which represents the harmonious co-existence of black and white population in South Africa. The plaintiff is the copyright owner of artistic work in the aforesaid words and logo within the meaning of Section 2(c) of the Copyright Act 1957. The plaintiff has filed applications for registration of its trademarks throughout the world. In India it has filed application for registration of the said words, logo and the mascot. It is pleaded that the official sponsors of the event are : (i) Pepsi, (ii) Hero Honda, (iii) LG Electronics, (iv) South African Airway, (v) Hutch-Orange, (vii) Standard Bank-South Africa, (vi) Toyota-South Africa, (viii) South African Breweries and (ix) MTN. The entire advertisement or publicity value is the exclusive property of the plaintiff, who in turn has authorised its sponsors to enjoy these rights. The plaintiff and sponsors have the right to commercially exploit the "persona" of the Event and to derive the maximum commercial benefit of being associated with it. The sponsors have been given the exclusive rights to organize schemes and contests that offer tickets to the World Cup as prizes. The plaintiff has undertaken to the sponsors not to authorize or permit any third party to associate itself with the event or in any manner use the indicia, marks, logo or the commercial "identity" or "persona" of the event.

3. It is further pleaded that the first defendant is a service station, selling petroleum products of the second defendant-HPCL. The plaintiff noticed that the defendants are misrepresenting their association with the plaintiff and the event by advertising on television channels, distributing promotional material such as pamphlets, brochures, audio cassettes and on the products, including engine oil bottles sold under the brand RACER4. The defendants are piggy-backing on the popularity of the plaintiff by enticing unwary customers through such misrepresentation. Some of promotional material being offered/sold by the defendants has been filed along with the plaint (Annexures A&B). It is pleaded that the defendants contest/scheme entitled "Race 4 the World Cup Offer" as evolved, violates the fundamental rules of honesty and fair dealing, on its face

and ignores the high standards of fairness and commercial morality in trade. It amounts to an act of unfair competition and unfair trade practices. The defendants are also depriving the sponsors from enjoying the exclusivity granted to them by the plaintiff. The defendants are misusing and passing off the trade-marks of the plaintiff and infringing of the copyrights of the plaintiff in its artistic work "ICC World Cup South Africa 2003" and logo. It is also pleaded that the ticket conditions for the event expressly prohibit the distribution of tickets through competitions and contests without the plaintiff's prior approval.

4. Defendants have filed written statement and reply, inter alia, raising several preliminary objections. It is pleaded that the plaintiff has not approached the Court with clean hands; the defendants are legally entitled to use the name and logo of event for advertising. They have filed documents showing that in India M/s. Sachinam Travels (P) Ltd. (for short, "STPL"), was appointed as one of the Official Travel Agents (for short "OTA"), for marketing ticket and travel packages of the Event by M/s. Edusport Gullinjet Travels South Africa (for short "the EGT") on 1st April, 2002; that earlier United Cricket Board of South Africa (for short "UCBSA"), the organizer of the event had appointed EGT as sole official tour operator (for short "OTO"); and that STPL appointed Sporting Excellence (for short "SE") as the nonexclusive sub-agent for marketing tickets and travel packages called Overall Travel Packages of the event vide agreement dated 25th April, 2002, to an exclusive set of corporate and individual clients. Thereafter M/s. WPP Marketing Communications India Pvt. Ltd. (for short "WPP") entered into an agreement with SE on 5th September, 2002 and acting on behalf of the second defendant HPCL purchased Overall Travel Packages/Deliverables vide agreement dated 5th September, 2002 through SE, the sub-agent. It is pleaded that the plaintiff deliberately concealed these facts in order to obtain the ex-parte ad-interim injunction.

5. It is pleaded that defendants have not done any other business whatsoever under the name of "ICC Cricket World Cup South Africa 2003". The words "ICC" and "World Cup" are in public domain and have also been registered in the name of various parties in India as well as overseas (Annexures A & B). The plaintiff cannot claim monopoly to the letters "ICC" or the words "World Cup" which are common names and are highly descriptive in relation to the international games. The words "World Cup" is the name of the tournament of various games including cricket. Copies of the agreements dated 5.9.2002 and have been filed (Annexures C & D). It is also denied that the ticket conditions were even disclosed by the plaintiff's agent to the defendants. It is also denied that World Cup is exclusively identified with the plaintiff or products of its Sponsors.

6. The plaintiff has filed the replication pleading that the appointment of the Sporting Excellence (SE), as sub-agent by "STPL", for the event, is illegitimate, unauthorised and is void ab initio. In the alternative, it is pleaded that under Clauses 13 and 15 of the agreement dated 5th September, 2002, at best second defendant is entitled to obtain tickets and packages, but they cannot advertise.

The ticket conditions form part and parcel of the agreement dated 5th September, 2002, and that the second defendant HPCL has ex-fade breached/ violated the aforesaid clauses of this agreement, with SE and cannot claim any equity. The plaintiff has also challenged letters dated 12th November, 2002 from M/s. J. Walter Thompson and M/s.WPP to the second defendant (H.P.C.L.)as concocted and fabricated. However, the appointment of STPL as Official Travel Agent by EGT vide agreement dated 1st April, 2002 is admitted. It is also pleaded that plaintiff entered into an host agreement dated 28th June, 2001 with the UCBSA authorizing them to organize the event and UCBSA was given the rights to print and market the tickets. It is claimed that the plaintiff has been controlling all decisions made with regard to the event including tickets and that the agreements dated 1st. April, 2002 or 25th April, 2002 have no bearing and the legitimacy of the agreements of 5th September, 2002 between Sporting Excellence and WPP. It is also denied that the second defendant HPCL had lawfully placed orders for Overall Packages or that the contract was concluded in a lawful manner. It is pleaded that second defendant HPCL is misleading members of the public by trying to establish an association with the plaintiff and the event when in fact none exists, and indulging in unfair trade practices, unfair competition and depriving the sponsors to enjoy exclusivity.

7. I have heard the learned Counsel for the parties and have been taken through the record.

8. Learned Counsel for the plaintiff argued that the defendants have reproduced the artistic work of the plaintiff -- "ICC Cricket World Cup 2003" word and logo thereby infringing copyrights of the plaintiff; that a prima facie case of passing off, unfair competition, ambush marketing, and violation of plaintiff's right of publicity and interference in the performance of contractual obligation is made out. Reliance is placed on Boston Athletic Ass'n. v. Sullivan, 867 F.2d 22 (1st Cir. 1989) and Master Card International Inc. v. Sprint Communications Co., 1963 30 USPQ 2.

9. Learned Counsel for the defendants argued to the contrary, inter alia, submitting that the plaintiff is guilty of concealing material facts, while obtaining ex-parte ad-interim injunction. Referring to Order 13 Rule 1, Order 8 Rule 9 and Order 7 Rule 14, CPC, learned Counsel argued that the original documents till date have not been filed and the suit is liable to be rejected on this ground alone. Reliance was also placed upon the judgment and order dated 3rd December, 2002 passed by Hon"ble Mr. Justice K.S. Gupta declining injunction, on similar facts, in ICC Development (International) Ltd, v. Alaknanda Stores and Anr., I.A. No. 10060/2002 in S. No. 1766/2002).

10. This is an action for "passing off" not in its classic form, where a trader represents his goods as the goods of someone else, but in an extended form. The question in such cases is, not the intention of the defendant, but probable effect of such action on the mind of the public. The cause of action for passing off arises when the public is very likely to be deceived into systemic and not merely

occasional confusion. With the development of new business techniques, devices, classic form of passing off has moved on to the modern tort of passing off. The invention of radio, television, newspaper and now internet, advertisements have added new dimensions to this form of tort.

11. The passing off action depends upon the simple principle that nobody has any right to represent his goods, as the goods of somebody else. The passing off involves misrepresentations by a trader to his prospective customers, calculated to injure (as a reasonably foreseeable consequence) to the business or goodwill of another. It is treated as a form of unfair competition or wrongful appropriation of the plaintiff's personality. In order to create a valid cause of action for passing off, five characteristics that must be present are: (i) a misrepresentation; (ii) made by a trader in the course of trade; (iii) to prospective customers of his or ultimate consumers of goods or services supplied by him; (iv) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and (v) 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. *Erven Warnink v. Townend & Sons Ltd.*, 1979 (2) All. E.R. 927.

12. This branch of law has ever been developing and expanding. In *Cadbury Schweppes Pty Ltd. and Ors. v. Pub Squash Co. Pty Ltd.*, (1981) 1 All ER 213, Lord Scarman, considering a descriptive imitation of an advertising campaign and get-up of goods, slogans and themes made familiar to market, in radio and television for soft drinks in cans similar to those used for beers presented as an alternative to beer, held as under :

"The width of the principle now authoritatively recognised by the High Court of Australia and the House of Lords is, Therefore, such that the tort is no longer anchored, as in its early nineteenth century formulation, to the name or trade mark of a product or business. It is wide enough to encompass other descriptive material, such as slogans or visual images, which radio, television or newspaper advertising campaigns can lead the maker to associate with a plaintiff's product, provided always that such descriptive material has become part of the goodwill of the product. And the test is whether the product has derived from the advertising a distinctive character which the market recognises.

But competition must remain free; and competition is sage guarded by the necessity for the plaintiff to prove that he has built up an "intangible property right" in the advertised descriptions of his product, or, in other words, that he has succeeded by such methods in giving his product a distinctive character accepted by the market. A defendant however, does not wrong by entering a market created by another and there competing with its creator. The line may be difficult to draw; but, unless it is drawn, competition will be stifled. The test applied by Powel, J. in the instant case was to inquire whether the consuming public was confused or misled by the get-up, the formula or the advertising of the respondent's product into thinking that it was the appellants' product."

13. Passing off cases can be divided into two broad categories. First are those where the competitors are engaged in a common field of activity and the plaintiff complains that the defendants have named, packaged or described Ms product or business in a manner likely to lead the public to believe that the defendants' product or business is that of the plaintiff. Second type of passing off, is where it is alleged that defendant has promoted his product or business in such a way as to create the false impression that his product or business, is in some way approved, authorised or endorsed by the plaintiff or that there is some business connection between them. By this false linkage or relationship, the defendant hopes to gain on the goodwill of another. plaintiff's case is based on this form of passing off.

14. In short from the pleadings and the documents following facts emerge. The plaintiff through an agreement dated 28th June, 2001 authorised UCBSA to organize the event with rights to print and market the tickets of the event and appoint official tour operator, (ii) The UCBSA in terms of their agreement appointed EGT as the Official Tour Operate, (iii) For India, EGT in turn appointed STPL and Pyramid as the official travel agents to act for and on behalf of EGT. (iv) STPL then appointed Sporting Excellence (for short "SE") vide agreement dated 5.9.2002, for marketing tickets and travel packages to exclusive set of corporate and individual clients, (v) M/s. WPP Marketing Communication India (P) Ltd. (WPP) vide agreement dated 5th September, 2002 purchased 22 units of overall travel packages for the second defendant HPCL each worth Rs. 60,000/- inclusive of commission, amounting to Rs. 13,20,200/-. Neither of these agreements have been pleaded in the plaint, nor copies of these agreements were filed when the ex-parte ad-interim injunction was granted. The defendant filed written statement pleading the above noted agreements dated 5th September, 2002. Thereafter, the plaintiff in the replication admitted first three agreements, last two agreements dated 5th September, 2002 are denied, as invalid and illegal; however, an alternative plea that the plaintiff is not bound by these agreements has also been raised.

15. In order to appreciate two fold argument of learned Counsel for the plaintiff that appointment of SE by STPL on 5.9.2002 for marketing travel packages is illegal, as it runs against the terms and conditions of earlier agreements between STPL and EGT, and EGT and UCBSA, Therefore, the appointment of WPP by STPL on 5.9.2002 and sale of tickets and travel packages is also illegal in view of the Clauses 12, 13 and 15 of the agreement. In view of this, reference to these clauses is necessary, which read as under :

"12. Official Travel Agent Contract

This contract is subject to the Official Travel Agent Contract dated 1st April, 2002 signed between EGT and STPL. In case of any dispute, the OTA Contract will prevail, to the extent applicable to such dispute.

13. Trade marks

Registration Form, Agreement and/or ownership or possession of a ticket does not in any way, create any rights, by implication or otherwise, on WPP to use, alter, copy or, otherwise deal with any of the symbols, trade marks, logos and /or intellectual property appearing on or in the Registration Form, agreement or the ticket.

15. Cricketworldcup.com

A comprehensive list of conditions regarding sale/possession of tickets is provided on the official CWC website (cricketworldcup.com). Failure to observe and abide by these terms and conditions shall constitute a breach of this agreement and may result in the eviction of the concerned supporter from the stadium(s) and demarcated areas, cancellation or confiscation of this ticket and/or legal action by the ICC Cricket World Cup South Africa 2003 Management."

16. At the outset I am constrained to observe that plaintiff failed in its duty to disclose full and complete facts, while seeking ex-parte ad-interim injunction. The plaintiff failed to point out the appointment of STPL as one of the official travel agents in India, to market the ticket and travel packages for the event by EGT (the official tour operator of the UCBSA). The plaintiff failed to disclose the appointment of Sporting Excellence by the STPL for marketing overall packages to the exclusive set of corporate and individual clients. plaintiff further failed to disclose the sale of the overall packages, including the tickets to the defendants vide agreement dated 5th September, 2002 and the receipt of Rs. 13.20 lacs for sale of 22 units. As per amended Order VII Rule 14, CPC plaintiff was required to file documents along with the plaint on which it sues or relies. This has not been done. It is not the case of the plaintiff that it was not aware of these agreements. What is pleaded is that these agreements are not relevant. I am unable to agree. The injunction is liable to be vacated on this ground alone. However, looking into the nature of the issues involved I propose to examine the case on merits as well.

17. Now the question which falls for consideration is about the validity of the appointment of SE, sub-agent, by STPL, one of the authorised agents in India. As noticed above, UCBSA is hosting the event. They were authorised through a host agreement to print and sell the tickets of the event. UCBSA, in turn appointed EGT as the authorised tour operator on 1st April, 2001. Thereafter, EGT appointed STPL as one of the agents in India to market ticket and tour packages. All this, has not been pleaded in the plaint. They have not been impleaded as parties in the suit. These documents are not before the Court. The issue with regard to the validity of appointment of SE can be decided only after trial. In view of the documents already on record supporting the appointment of SE, at this stage, it has to be presumed that appointment of SE to sell tickets and travel packages to corporate is valid.

18. Learned Counsel for the plaintiff next argued that assuming that SE was properly appointed by STPL even then second defendant (HPCL) is bound by the terms and conditions of the agreement between the EGT and STPL, and the

ticket conditions. Referring to Clauses 12 and 13 of the disputed agreement learned Counsel argued that the sale of the overall travel packages to the defendants was subjected to the approval by the plaintiff. It is true that the agreement dated 5th September, 2002 provides that the contract is subject to the terms of the earlier contracts between STPL (official travel agents) with EGT but there is nothing in this agreement to show that WPP or the defendant-HPCL was made aware of special terms and conditions, so as to, in any manner restrict the utilisation of the overall travel packages and tickets. As per the settled law, before any condition can be held to be binding on a party to the contract, it must be shown that the same was brought to the notice of that party. Whether Clauses 12 and 13 of the agreement dated 5th September, 2002 have contractual effect or not would depend upon the adequacy of notice. Here, the letter dated 12th November, 2002 written by WPP Marketing Communication India Pvt. Ltd. to the HPCL shows that the "Sporting Excellence did not mention at any stage that these packages had restrictions attached to them and that these could not be used as prizes in any promotions". The relevant portion of the letter reads as under :

"Sporting Excellence did not mention at any stage that these packages had restrictions attached to them and could not be used as prizes in any promotions.

Sporting Excellence even confirmed that there are no mention of the advertising scope of those who purchase such packages as per the agreement between EGT and Sachinam Travels Pvt. Ltd. As such promotions have been done in the past by various other companies. My company believed that the use of the packages as a prize was not restricted. Also, Sporting Excellence being an authorised agent, there was no reason to believe that these packages came with restrictions.

In case you need further clarification or information, please contact us."

19. Learned Counsel for the plaintiff argued that the above self serving letter has no value. This again cannot be decided at this stage. It falls in the realm of appreciation of evidence. The question whether such conditions were brought to the notice of the defendant can be decided only after recording evidence and after EGT and STPL are before the Court. In view of this letter, the defendants, prima facie, cannot be fastened with the terms of agreement between EGT (official tour operator) and STPL, an agent of the host in India. Admittedly, the defendants have paid Rs. 13.20 lacs for 22 units of over all travel packages to the authorised agent/sub-agent of the organizer of the event UCBSA and the plaintiff. This amount is still with them. Neither STPL nor EGT have returned this amount to the defendant so far. The plaintiff does not challenge their appointment. The scheme offered to the public by the defendants had commenced on or after 5.9.2002 when the payment was made. Assuming that plaintiff ultimately succeeds, it may, at best, be entitled to damages. Therefore, even balance of convenience does not lie in favor of the plaintiff, as per law laid down by the Supreme Court in Wander Ltd. and Another Vs. Antox India P. Ltd., . Further, in view of the fact that prima facie appointment of SE by STPL has been

held to valid, the ratio of the judgment and order dated 3.12.2002 passed in ICC Development (International) Ltd. v. Alaknanda Stores and Anr. in LA. 10060/2002 in Suit No. 1766/2002, is fully applicable to the facts of this case. In view of the above conclusions, it is not necessary to examine the other contentions raised by learned Counsel for the plaintiff. It may be mentioned here that other contentions raised by learned Counsel for the plaintiff have been declined by a detailed order dated 31.1.2003 passed in Suit No. 1710/2002, ICC Development (International) Ltd. v, Arvee Enterprises and Anr., and the findings recorded therein are fully applicable to this case as well.

20. The defendants, however, have failed to point out any material, prima facie to show that in the course of promotional campaign, they could use the logo denoting black and white stripes of Zebra printed on the pamphlet-Annexure "B", filed along with the plaint. This logo is in the nature of an artistic work, protected under Sections 2(c) of the Copyright Act, 1957.

21. For the foregoing reasons, the ad-interim ex-parte injunction dated 29th October, 2002 is modified and is confined only to the logo (denoting black and white stripes colours Zebra) on the advertisement (Annexure B), pending final disposal of the suit. The injunction in all other respects is vacated. With the above modifications, applications stand disposed of.

22. Any observations made herein would not prejudice either of the parties during trial of the suit on merits.