
(2010) 01 DEL CK 0156
In the Delhi High Court
Case No : CS (OS) 1653 of 2009

Kishore Kumar

APPELLANT

Vs

L. Chuni Lal Kidarnath and Another

RESPONDENT

Date of Decision : 12-01-2010

Acts Referred:

Citation : (2010) 42 PTC 264

Hon'ble Judges : S. Ravindra Bhat, J

Bench : Single Bench

Advocate : Mohan Vidhani, for the Appellant; Rajiv Nayar Darpan Wadhwa and Surinder Singh, for the Respondent

Judgement

S. Ravindra Bhat, J.—The present common order will dispose off three applications in the suit; IA 11441/2009 (by the plaintiff, seeking ad-interim injunction against the defendant in respect of trademark usage); IA 13812/2009 (by the plaintiff, for amendment of the suit) and IA 14024/2009 (by the defendant, for vacation of the ex-parte injunction granted by this Court).

2. The suit contends that the plaintiff has been carrying on an old and established business of manufacturing and trading of rechargeable torch, battery, fans, emergency lights etc. as well as their parts since 1997, under the style M/S SPEEDEX BATTERIES. The plaintiff claims to be proprietor and owner of the trademark HOMELITE, which it developed, and has been using since 1997. The plaintiff alleges that in order to protect its rights, it has applied for registration of the trademark HOMELITE, on various dates, described in Para 3 of the suit. It is alleged that registrations were granted on 06.10.1997 and 13.09.2001, in respect of rechargeable torches, which is subsisting. The plaintiff's applications for registration for HOMELITE made on 13.08.2009, in respect of batteries and fans, torches, emergency lights, etc are pending. It is claimed that the registration under No. 1044471 is valid and subsisting and in force; the plaintiff has filed an application for renewal and restoration of trademark No. 771268 which is pending. The plaintiff has contended successfully selling its products

under the trademark HOMELITE in respect of the goods manufactured by him. He alleges having sold them throughout the country either directly or through his dealers' network. It is also alleged that the plaintiff sells all his goods under the same trade mark with sub brands such as RANGER, SUPERSTAR, URJA, ENERGY etc. The suit claims that for the 11 year period between 1997-1998 and 2008-2009, the plaintiffs products sales have increased from Rs. 84,120/-to Rs. 48,80,809/-.

3. To establish both usage of the trademark as well as its advertisement in the media, the plaintiff relies upon copies of invoices issued by him on various dates such as 28.11.2001; 28.01.2002; 10.06.2003, 16.06.2006, 19.09.2006; 28.11.2006; 20.09.2007; 22.03.2008; 05.07.2007; 04.12.2008; and 03.08.2009. He also relies upon copies of advertisements published in the trade journal "ELECTRICITY APPLIANCE" on 30.06.2007; 30.08.2007 and 02.08.2007.

4. It is alleged that on 20.08.2009, the plaintiff came across goods manufactured by the second defendant under the identical trademark HOMELITE which amounts to infringement of the plaintiffs trademark as well as passing off. The plaintiff claims to have enquired into the question when it was revealed that the second defendant had only recently started using the trademark HOMELITE in respect of torches, emergency lights and lanterns etc. According to the plaintiff the said second defendant should have complete knowledge about ownership in registration of the plaintiff's trademark and use by him in respect of the goods sold since 1997; more so since the plaintiff had been advertising its products under the said mark. The plaintiff further submits that if the defendant had conducted a search about the pending trademarks on the register they would have been aware that his (the plaintiff's mark) was registered. The defendant's use of the trademark HOMELITE in respect of torches, emergency lights and lanterns etc. or other like or cognate goods amounts to infringement and passing off of the plaintiff's trademark. The defendant's use of the HOMELITE trademark is without any cause and amounts to malice and an intention to appropriate the mark and goodwill associated with the plaintiff's product, which deserves to be interdicted with a temporary injunction by the Court.

5. In the application seeking amendments the plaintiff submits that he had filed an application in form TM-46 with the Trademark Registrar on 13.08.2009 for issue of legal proceedings certificate and for renewal and restoration of the trademark No. 771268 in Class 9 and also for issue of legal proceedings certificate in respect of trademark No. 1044471 in class 11. The plaintiffs submit that in end of September 2009 he received the certificate for use in legal proceedings in respect of the latter registered trademark No. 1044471, which revealed that a condition had been imposed that part of the HOMELITE mark, i.e. LITE had to be disclaimed. This submits the plaintiff was not mentioned in the registration certificate which had been filed along with the suit. It is further contended that the plaintiff became aware of this disclaimer only when he received notice in an appeal issued by the Division Bench; the appeal had been

filed by the second defendant. The plaintiff further submits that he had no personal knowledge of the imposition of such disclaimer by the Trade Mark Registrar; it has therefore become necessary to state this aspect in the suit, by way of incorporating it through an appropriate amendment. The plaintiff proposes to introduce Para 5A for this purpose.

6. The second defendant, in its written statement, as well as application for vacation of the interim injunction, alleges to being a company incorporated as EVEREADY (hereafter called as such) in 1934. It claims to be one of the most reputed FMCG companies manufacturing various consumer products including dry cell batteries, carbon zinc batteries, alkaline and rechargeable batteries, etc. All such products are sold under its house mark EVEREADY; which was adopted in 1905, and has been in continuous and extensive use, since then. EVEREADY also claims to be a pioneer in the manufacture of dry cell, battery and flash lights in India; all such products are sold under the mark EVEREADY, which is both its house mark and corporate name. The said defendant claims that the EVEREADY mark has become synonymous with it, and acquired a secondary meaning; it is also a well-known trademark as defined by Section 2(1)(zg) of the Trade Marks Act, 1999 (hereafter "the Act"). The said defendant says that it has a position of uninterrupted market leadership in India, in respect of portable lighting, being one of the most trusted brands in rural India, with 90% of the market share. It claims to be marketing over 50 varieties of metal and plastic flash lights. It has described the numerous registrations, in respect of its trademarks, in Classes 9 and 11, for its different brands, in the written statement; it also alludes to its growing annual sales figures; in 1971-72, such sales were to the extent of Rs. 55.56 crores; it has now increased to Rs. 925.30 crores. EVEREADY also mentions about its increased spending in advertisement, and other publicity strategies, to promote its brand; in 1972, such expenditure was Rs. 65.31 lakhs; in 2008-2009, it had increased to Rs. 37.77 crores. The defendant says that it has adopted the suffix LITE since 1936, in relation to several brands, e.g. MASTERLITE, SIGNALITE, SPOTLITE, CITYLITE, PENLITE, LUVLITE, FUNLITE, HILITE, POCKETLITE, and so on; it is also registered trademark owner in respect of such marks.

7. EVEREADY alleges that the plaintiff intentionally suppressed the fact that its registered trademark HOMELITE was granted with an express disclaimer in respect of LITE. It is submitted therefore, the plaintiff is disentitled to claim injunction, interim or otherwise, as he has not approached the Court with clean hands. EVEREADY contends that in any case, with the disclaimer for the LITE part of HOME, there is no question of any reputation of the sort alleged by the plaintiff, in respect of its goods and that the two words HOME and LITE, put together in respect of electric torches and flashlights is generic, for which no secondary meaning can be legitimately claimed by any one, being descriptive of the goods. It is urged, besides, that the defendant does not use the HOMELITE mark in isolation, but that its products also go under its house mark, EVEREADY, which is displayed prominently.

8. The defendant relies on the decisions of the Division Bench of this Court, reported as *Cadila Healthcare Ltd. v. Gujarat Co-operative Milk Marketing Federation Ltd.* 2009 (41) PTC (Del) and another recent decision of the Division Bench, dated 23rd October, 2009, *Rhizome Distilleries (P) Ltd v. Pernod Ricard SA France*, to submit that where the mark is generic or descriptive, claims for infringement or passing off, are inherently weak.

9. The defendant also opposes the plaintiff's request for amendment of the suit, contending that it is not bona fide. Here, it is argued that the plaintiff knowingly put forward a false claim that it was registered trademark proprietor of HOMELITE, when actually there was a disclaimer for LITE. On the basis of this deception in the pleadings, he was successful in securing an interim order. Having being caught in this attempt, and unfairly profited by it, the Court should not allow him to set right the pleadings, as alleged by him.

10. The preceding discussion would show that the plaintiff seeks an interim injunction to restrain EVEREADY's use of the trademark HOMELITE. The plaintiff's claim is premised on its use of the mark, since 1997, and that it had secured four trademark registrations. He also says that the registration was sought to be renewed, and the application for the purpose is pending. Copies of the registration certificates issued by the Registrar, previously, have been produced. The defendant points out that the plaintiff did not disclose, at the stage of ex-parte hearing, that the registration granted was with a disclaimer in respect of the term LITE. The plaintiff's use claim is sought to be substantiated by reliance on invoices - issued from 2001 onwards, to its customers; the plaintiff claims that its turnover for the previous year was over Rs. 45 lakhs, and that it has been growing. It is also submitted that the plaintiff has been advertising its products, under the HOMELITE mark, for long; a series of copies of such advertisements in an electrical appliances magazine has been produced, in support of such claim. The defendant alleges to be market leader in the electrical appliances segment, particularly dry cells, as well as electrical torches, flashlights etc. of various kinds; it alleges to be controlling 90% of the market share in this regard. It disputes the plaintiff's claims, and contends that in view of the disclaimer (which was not disclosed) in respect of LITE, the plaintiff's claim for exclusivity or distinctiveness of the mark is inherently weak. It also argues that the HOMELITE trademark is descriptive, and, besides, that it uses the term with its house-mark EVEREADY to obviate any scope for confusion. The defendant also alleges that it has marketed goods worth several crores of rupees, under the HOMELITE brand.

11. The materials adduced are to be seen by the Court, only with a view to determine whether the plaintiff has made out a prima facie case for grant of injunction. At this stage, the Court does not undertake a detailed and in-depth analysis of the case, as parties are yet to lead evidence. The materials on record suggest that the plaintiff was using the wordmark HOMELITE, from 1997 - this is prima facie borne out by the copies of two registration certificates, filed with the

suit; one clearly states that the claimed user is since 1997. The plaintiff has also produced copies, mostly carbon copies of invoices, which he contends, were issued by him, in the normal course of trade. These are about 13 invoices; the earliest was issued on 24.07.1999; the latest on 03.08.2009. Copies of advertisements issued in 2007 in the publication "ELECTRICAL AND ELECTRONIC WORLD" have also been produced. The plaintiff also relies on his averments of increased sales, which are to the extent of Rs. 48 lakhs, in 2008-2009, for its goods. The defendant, on the other hand, relies on copies of registration certificates in respect of its various brands, under the banner or housemark "EVEREADY" such as MASTERLITE, SIGNALITE, SPOTLITE, CITYLITE, PENLITE, LUVLITE, FUNLITE, HILITE, POCKETLITE, etc. It has produced copies of invoices, evidencing sale of the goods under the HOMELITE mark; the earliest invoice is of November, 2008. It claims to be market leader, with 90% share in the market for such goods.

12. Now, the registration of a mark evidences its distinctiveness as a source identifier, accepted by the statutory authority, i.e. the Registrar of Trademarks. This, in turn, leads to a presumption - in an action for infringement, by virtue of Section 29(3) of the Trademarks Act, wherever the plaintiff establishes identity or similarity, of the two rival marks, in respect of competing and similar goods, that there is an infringement. The approach of the Court, in such cases is guided by the ruling of the Supreme Court, rendered more than four decades ago, in *Amritdhara Pharmacy Vs. Satyadeo Gupta*, (where the dispute pertained to LAXMANDHARA and AMRITDHARA). The Court observed that LAXMANDHARA was likely to deceive and confuse persons of the class who generally purchased such preparations. In *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, the dispute centered around the rival marks "Navaratna Pharmacy" and "Navaratna Pharmaceutical Laboratories".

The Court held that:

28. ...In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendants, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

The above two authorities, which have been consistently followed in numerous decisions of this Court, as well as the Supreme Court, admits no room for doubt

that qualitatively, an action for infringement differs from a suit seeking injunction, based on a passing of by the defendant.

13. What the defendant urges here is its reputation in respect of the mark EVEREADY, and its widespread usage, in relation to a large number of sub-brands - many of which are registered, with the word LITE. The defendant also suggests that there is no distinctiveness in relation to the plaintiff's HOMELITE mark, as it is descriptive of the goods and there is some inherent genericness about it.

14. There are some rulings which suggest that where marks are generic, or descriptive, or relate to common terms, the claim for distinctiveness or secondary meaning is weak. *Manish Vij v. Indra Chugh* 2002 (24) PTC 561 (Del) was a case where "kabadibazaar" was held not to be a newly coined but a descriptive word as since it required no imagination to connect it with second hand goods. Similarly in *Vijay Kumar Ahuja v. Lalita Ahuja* 2002 (24) PTC 141 (Del) the Court held that neither party can claim any right to exclusive use of common language words and names such as MISTER, DEFENCE, ARUN and ML unless they acquired reputation and goodwill or assumed secondary significance. Here, interestingly, the defendant, itself claims to the exclusive right to use LITE (in combination with common words) in relation to similar products, such as electric torches and flashlights, and relies on marks such as SPOTLITE, PENLITE, CITYLITE, etc. The plaintiff submits therefore that the defendant cannot challenge the plaintiff's mark as descriptive, or not being distinctive. In *Automatic Electric Limited v. R.K. Dhawan* 1999 (19) PTC 81 (Del) this Court held that as the defendant itself has sought to claim trade proprietary right and monopoly in DIMMER DOT, it did not lie in their mouth to say that the word DIMMER was generic. There too, the plaintiff's mark was with a disclaimer. In view of these circumstances, it is held that the defendant cannot say that the HOMELITE mark or HOME, or LITE, separately are descriptive; they are in any case, arbitrary in relation to electrical torches and flashlights. HOMELITE does not conjure the vision only of a portable electrical light; it is associated with a range of home lighting.

15. In *F. Hoffmann-la Roche and Co. Ltd. Vs. Geoffrey Manner and Co. Pvt. Ltd.*, , the Supreme Court, quoted with approval the following observations of Lord Denning :

In *Parker Knoll Ltd. v. Knoll International Ltd.* 1962 R.P.C. 265, Lord Denning explained the words "to deceive" and the phrase "to cause confusion" as follows:

"Secondly, "to deceive" is one thing. To "cause confusion" is another. The difference is this :

When you deceive a man, you tell him a lie. You make a false representation to him and thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but still you do it, and so you deceive him. But you may cause confusion without telling him a lie at all, and without making any false representation to him. You may indeed tell him the truth, the whole

truth and nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so.

The tests for comparison of two word marks were formulated by in Pianotist Co. Ltd.'s application, 1906(23) R.P.C. 774, as follows :

You must taken the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion -that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods-then you may refuse the registration, or rather you must refuse the registration in that case.

A later case (Sandow Ltd.'s Application), 31 R.P.C. 205 clarified that among the surrounding circumstances to be taken into account one of considerable importance is the imperfect recollection a person is likely to have of a mark with which he is only vaguely acquainted. While approving the above tests for comparison of the two word-marks, the Supreme Court held in F. Hoffmann-La Roche & Co. Ltd. that:

It is also important that the marks must be compared as whole. It is not right to take a portion of the word and say that because that portion of the word differs from the corresponding portion of the word in the other case there is no sufficient similarity to cause confusion. The true test is whether the totality of the proposed trade mark is such that it is likely to cause deception or confusion or mistake in the minds of persons accustomed to the existing trade mark.

The Supreme Court also, in the same decision, cited with approval Tokalon Ltd. v. Davidson and Co. 32 R.P.C. 133, that

...We are not bound to scan the words as we would in a question of compatriotic literarum. It is not a matter for microscopic inspection, but to be taken from the general and even casual point of view of a customer walking into a shop.

The Privy Council in De Cordova and Ors. v. Vick Chemical Cov. 68 R.P.C. 103, while considering whether the mark "Karsote Vapour Rub" was deceptively similar to trade mark "Vapo Rub", inter alia, held

It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

16. A consideration of all the above factors reveal that the Court has to consider the mark as a whole, from the standpoint of a casual, and not too curious or fussy consumer ("unwary customer"). Such an individual would normally not be expected to minutely observe a trademark, but recollect its broad - perhaps essential features, based on impressions gathered. He would see the mark as a whole, regardless of the disclaimer. Such being the case, and concededly, the plaintiff having secured registration - even though it may not be subsisting, for having lapsed (but for which an application for renewal is said to be pending) the fact remains, that the mark was used since at least in 1999. There are invoices and advertisements showing that the plaintiff was using it for over ten years. The defendant appears to be suggesting that its brand EVEREADY is distinctive, and even well-known. That may be the position; yet here, what is material is that the plaintiff has been using HOMELITE for about 10 years. The mark was also on the trademark register. The defendant's argument that LITE cannot be appropriated, is irrelevant, since it has not denied using LITE in relation to a number of marks. The plaintiff also urges that the sales of the HOMELITE brand have swelled over the years. At this stage, the Court is mindful of the observations in Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, that there is no blanket policy that generic words or common terms cannot be the subject matter of trademarks. The said decision also observed that:

5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest.

17. Having considered all the circumstances, the Court is of the opinion that the plaintiff has established sufficient elements to show its prior adoption and user of the mark HOMELITE in relation to electric torches and flashlights; the defendant was not using it, till end 2008. The plaintiff had also obtained registration (as it later transpired, with a disclaimer for the LITE part of the mark). The plaintiff's registration, prior user, and growing sales, in the Court's view, prima facie disclose that it has a reasonably strong case on the merits. The Court should, following the rule in Midas Hygiene, grant the injunction sought.

18. As far as the amendment application is concerned, the defendant is not saying that the proposed amendment does not reflect correct facts, or that it would be prejudiced if it is allowed. On the contrary, it says that the plaintiff should not be now allowed to urge about the disclaimer. Here, the Court notices that the disclaimer was brought to light in the written statement. The plaintiff explains the omission by saying that the legal proceeding certificate was not obtained by it. The correctness or otherwise of such a plea cannot be gone into at this stage. In these circumstances, the request for amendment of pleadings, made by the plaintiff, should be granted.

19. Having regard to the above discussion, the interim order made on

09.09.2009 is made absolute till disposal of the suit; the defendant shall remain bound by its terms. The Court had relieved the rigor of the injunction by a clarificatory order, in respect of the defendant's existing stock, on 03.11.2009. The defendant is permitted to sell existing stock only to the extent, and in terms of that order. IA 11441/2009; and IA 14024/2009 are disposed of in these terms. IA 13812/2009 - the plaintiff's application for amendment - is allowed. The amended suit is hereby taken on the record. The plaintiff is allowed to withdraw the cost deposited by him in the application for amendment, I.A. No. 13812/2009, since same has been allowed. CS. (OS) 1653/2009

20. The parties are directed to complete their pleadings, within two weeks. They shall also exchange affidavits, admitting or denying each other's documents, within four weeks. List the suit before the Joint Registrar for scrutiny, on 24th February, 2010; it shall thereafter be listed before Court on 29th March, 2010, for framing issues. The date previously fixed, before Court, i.e. 18th January, 2010, is hereby cancelled.