

(2008) 05 DEL CK 0053

In the Delhi High Court

Case No : I.A. No"s. 7725 and 11669 of 2007 in CS (OS) 1251 of 2007

Montblanc Simplo-GMBH

APPELLANT

Vs

New Delhi Stationery Mart and Another

RESPONDENT

Date of Decision : 19-05-2008

Acts Referred:

Citation : (2008) 38 PTC 59

Hon'ble Judges : S. Ravindra Bhat, J

Bench : Single Bench

Advocate : Neeraj Kishan Kaul, Abhishek Malhotra, Anu Baga, Enatoli Sema and Bhuvan Mishra, for the Appellant; S.R. Khandelwal, for the Defendant No. 1, Valmiki Mehta Mohan Vidhani and Rahul Vidhani for the Defendant No. 2, for the Respondent

Judgement

S. Ravindra Bhat, J.—This order shall dispose off I.A. No. 7725/2007 and I.A. No. 11669/2007 preferred under Order 39 Rule 1 and 2 and Order 39 Rule 4 of the Code of Civil Procedure, 1908, respectively.

2. The facts relevant for the present purposes are as follows. The Plaintiff has filed this suit for infringement of its registered Trade Marks (No. 17905 and 1152812 in class 16), and for passing off in relation to its trade mark, which include the word mark "Starwalker", a three ring device as well as the shape and configuration of the "Meisterstuck" and "Starwalker" range of pens/writing instruments (hereaftercalled "pens"). It is averred that the Plaintiff has been manufacturing high quality writing instruments for the past 100 years and has gained extensive reputation, as a producer of superior quality goods under the well-known "Mont Blanc" and "White Star" devices. In addition to the said marks, it is averred that the Plaintiff also uses a 3-ring device mark and a white star device on its pens; the design, shape, configuration and get-up of such pens are unique. It is also claimed that the Plaintiffs said brands, launched in 1924 and 1996 respectively, have acquired a secondary meaning, reputation and goodwill. The Plaintiff claims that a consumer of writing instruments as well as the traders

of such goods instantly recognize the shapes and configuration as originating from it. While, Starwalker is registered a word-mark in class 16 bearing No. 1152812, the 3-ring device is registered in the same class bearing No. 749405. It is also averred that these pens are sold through the Plaintiffs boutiques in six cities across India. Further, the Plaintiff claims to process registration in respect to these brands in 180 countries and also avers to spending about Rs. 2.5 crores for advertising its brands.

3. The Plaintiff alleges that the Defendant has infringed its rights in respect of the aforesaid registered marks. It claims that the Defendants are manufacturing and selling pens that are identical to its goods. The Defendant, it is alleged, in relation to its product styled "Spacewalker" are using an identical three ring device, a deceptively similar brand name to that of its "Starwalker" and a confusingly similar shape, configuration and get-up. It also claims that use of the three ring device, and a deceptively similar get up in relation to the "Meisterstuck" brand of the Plaintiff, by the Defendants in their product "Add Gel Gold Top", infringes the rights in the former. It is further alleged that the malafide intent of the Defendant is evident from the fact that both the Defendant's brands, that is, "Spacewalker" and "Add Gel Gold Top", are deceptively similar to the get-up, colour and shape of the Plaintiffs brands. It is submitted that even after a cease and desist notice was served on the Defendants in August 2006, they refused to discontinue the selling of their brands, although they acknowledged the use of the three-ring device. Therefore, it is claimed that by using the three-ring device and the expression "Spacewalker", the Defendants are infringing the Plaintiffs registered trademarks. The Defendants actions, it is alleged, amounts to passing off, as it takes advantage of the Plaintiffs distinctive and identifiable marks. It is therefore, submitted that an ad - interim injunction is necessitated, in the absence of which the Plaintiff would be put to irreparable harm.

4. Mr. NK Kaul, learned Senior Counsel appearing on behalf of the Plaintiff, at the very outset contended that in view of the decisions in Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia 2004 (28) PTC 121 and Swaran Singh v. M/s. Usha Industries AIR 1986 Del 343 (DB) a mere delay in bringing an action is not sufficient to defeat grant of ad interim injunction and statutory rights cannot be lost by delay. He also contended that in view of the Supreme Court's findings in Wander Ltd. and Another Vs. Antox India P. Ltd., and Midas Hygiene (supra), in cases of infringement of trademark and passing off, an interim injunction must normally follow.

5. In relation to the merits of the present case, learned Counsel drew the attention of this Court to the definition of "mark" u/s 2(m) of the Trade Marks Act, 1999 (hereafter "the Act") as including a word, device and shape of goods and the definition of "Trade Mark" u/s 2(zb) of the Act as a mark capable of graphical representation and capable of distinguishing between the goods and service of one person from those of another, to reiterate that the shape of goods

may be protected. Section 27(2) of the Act saves the rights of a person to institute action for passing off and thus an action for passing off is available even where a trademark is not registered under the Act. Section 29 of the Act codifies the law relating to infringement of registered trademarks. It is submitted that the Act, which is a new legislation, incorporates changes and improvements over the Trade and Merchandise Marks Act, 1958, and has added new Sub-sections (2) to (9) to Section 29, thereby increasing the number of activities which may constitute infringement, of a registered trademark.

6. Mr. Kaul reiterates that Plaintiffs three-ring device mark is registered under the Act, as Registration No. 749405, inter alia, in relation to writing instruments and the said registration is prima facie evidence of validity of the three-ring device trademark u/s 31 of the Act. Since the Defendants have admitted the use of the three-ring device, he submits that such use amounts to infringement u/s 29(2)(c) of the Act, as it is likely to cause confusion on the part of the public and which use is likely to have an association with the Plaintiffs registered trademark. That is likely to cause injury to the goodwill of the Plaintiffs three-ring device mark. As the present case falls u/s 29(2)(c) of the Act, he submits that the Court shall presume, due to Section 29(3) of the Act, that there is a likelihood of confusion by the public regarding the three ring device used by the Defendants because of its identity with the Plaintiffs registered three-ring device trademark and identity of goods covered by such registered trademark. Relying on the case of Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, , counsel contends that in an action for infringement, where the similarity between the Plaintiffs and Defendants mark is so close, either visually, phonetically or otherwise and the Court reaches a conclusion that there is an imitation, no further evidence is required to establish that the Plaintiffs rights are violated.

7. Further, he argues that not only is the three-ring device mark inherently distinctive and not descriptive of the goods in relation to which it is registered and used, but also the device mark has acquired reputation, goodwill and distinctiveness due to the Plaintiffs prior adoption and continuous worldwide for the past over 80 years. It is therefore identified in the trade (as well as by consumers), as an indication that the products carrying the three-ring device originate from the Plaintiff. Therefore, such use of the three-rings, in an identical position also amounts to taking unfair advantage of the Plaintiffs goodwill and the Defendant is seeking to pass off its goods. passing off. Relying on the decisions reported as Kaviraj Pandit (supra) and B.K. Engineering Co. Vs. Ubhi Enterprises (Registered) and Another, he contended that the scope of protection afforded by the law of passing of is against the "injurious association" with the Defendants" goods, and therefore, to protect such injurious association of Defendants goods with that of the Plaintiff, the court must restrain the former from taking unfair advantage of the latter"s goodwill, Refuting the contention of the Defendants that their products are priced lower than that of the Plaintiffs, he relied on the decisions in N.R. Dongre and Others Vs. Whirlpool Corpn. and

Another, and Corning Incorporated v. Raj Kumar Garg (2004) 28 PTC 257 to argue that association with lower priced products would further cause confusion and injury to the goodwill of the Plaintiffs products. Further, he submitted that the Defendants' design registration was in respect of ball point pens alone and in any case, the Plaintiffs prior use and goodwill acquired over the years, across the globe is protected by the law of passing off and cannot be a defense in case for passing off. To this extent he relied on Corning Incorporated (supra). Citing the judgments reported as The Andhra Perfumery Works joint family Concerns Vs. Karupakula Suryanarayaniah and Others, and Honda Motor Co. v. Charanjit Singh (2003) 26 PTC 1, he argued that merely because there were three other products in the market using a similar three ring device, it cannot be held that the device has become public juris, since it is the prior and registered user with respect to the same. He submitted that the Plaintiff came to know about the other products during the course of the present trial and that due action has been initiated against the other products also.

8. In relation to the Defendants adoption of the mark "Spacewalker", learned Counsel contended that there is no satisfactory explanation why such an arbitrary term was used to describe the goods. Section 2(1)(h) of the Act defines a deceptively similar mark as one which so closely resembles the other mark so as to cause confusion. He submitted that the term "Spacewalker" was adopted in order to cause confusion with the Plaintiffs mark "Starwalker", in the minds of the public and therefore amounted to a deceptively similar mark. Given the deceptively similarity in the word marks, and the fact that the get up and configuration of the products were confusingly similar, the adoption of the said word mark by the Defendants, he argued, amounted to infringement u/s 29 of the Act, of the registered marks of the Plaintiff in relation to the word mark and also the three ring device). Such use by the Defendants was likely to cause confusion in the minds of the public. Further, since deceptive similarity was established the same amounted to passing off also. He contended that using prefixes like "ADD" was immaterial while considering the question of infringement u/s 29, since this Court has to see whether there is deceptive similarity or not.

9. Learned Counsel submitted that the standard applicable in such cases is that of "likelihood of confusion" and not actual deception and actual damage. He further contended that the Court should determine the likelihood of confusion and deceptive similarity in order to arrive at a prima facie finding of infringement, keeping in mind the following considerations (1) the broad and essential features of the of competing marks will have to be viewed, (2) the marks will have to be considered as a whole in their respective contexts, (3) the similarities rather than dissimilarities will have to be taken note of and (4) the marks must be judged from the point of view of unwary purchaser of average intelligence and imperfect recollection.

10. In support of these propositions he relied on many reported decisions

including: Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., Parle Products (P) Ltd. Vs. J.P. and Co., Mysore, Amritdhara Pharmacy Vs. Satyadeo Gupta, Heinz Italia and Another Vs. Dabur India Ltd., and Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., . An application of these principles, he contended would undoubtedly lead to the court of conclude that not only were the Defendants guilty of infringement but also for passing off, since they intentionally and unlawfully wanted to appropriate the Plaintiffs goodwill.

11. Finally, counsel submitted that having established a prima facie case, the balance of convenience also lay in the Plaintiffs favour. After having obtained ex parte injunction in July 2007, he submitted that since the products of the Defendants were confusingly and deceptively similar to that of the Plaintiff leading to a presumption of association, the latter would be put to great inconvenience if the injunction were to be vacated. The injury caused due to such unfair association and unauthorized use of goodwill, he argued, cannot be compensated by damages and therefore, the Defendants must be restrained pending final decision in the suit.

12. Mr. Valmiki Mehta, learned senior counsel appearing on behalf of the Defendants on the other hand, denied that their acts amounted to infringement of the trademark and passing off. He urged that firstly the shape, configuration and getup of the Plaintiffs products, which it claims to be using for past several decades have not been duly registered under the Design Act, 2000. He claimed, by relying on detailed illustrations, and photographs that the three ring device used by the Defendants was different from those used by the Plaintiff. The design of three rings on the pens, he submitted had been registered by the licensor of the second Defendant under registration No. 169062 dated 25.04.1995. He also claims that the three-ring device was public juris since the same has been adopted by at least three other manufacturers and relied in documents filed in this regard. Once the device is public juris, he submitted there can be no scope for an action for infringement or passing off. Further, the three ring device cannot be a subject matter of copyright in an artistic work, since it is not original. There also cannot be copyright under the Designs Act because u/s 15(2) of the Copyright Act, 1957 if a design has been applied and reproduced more than 50 times under an industrial process, copyright ceases to exist. Therefore he contended that since no direct protection is afforded under the Copyright Act and Designs Act, the same cannot be indirectly conferred under the Trademarks Act, especially so when it is public juris.

13. Learned Counsel next contended that the Defendant's word mark "Spacewalker" is different from the Plaintiffs mark "Starwalker". They are not deceptively similar, u/s 2(1)(h) and therefore, there is no likelihood of confusion or association with the Plaintiffs trademarks. The Defendants' pens, it is submitted, are sold under the trademark ADD which is well known. There cannot be any confusion about their identity. Further, he submits that both the relevant Plaintiffs products are priced at Rs. 14250/-, whereas the Defendants products

are priced at Rs. 200/- and Rs. 340/-. The price difference, the elite and affluent customer base of the Plaintiff, the considered choice that such a customer base exercises (which purchasing the Plaintiffs pens) and the fact that the Plaintiffs pens are sold in exclusive boutiques unlike the Defendants pens, he claims ensure that there is no association with the Defendants' products and thereby, no confusion can be caused in the minds of the public. Moreover, relying on *White Horse Distilleries v. Upper Doab Sugar Mills* PTC Suppl (2) 328 (Del); *Astrazeneca UK v. Orchid Chemicals* (2007) 34 PTC 469; *Cadila Laboratories v. Dabur India* (1997) 17 PTC 417 and *Kewal Krishan v. Rudi Roeller Flour Mills* (2007) 35 PTC 848, he contended that the prefix "Add" and "Space" in the Defendants products must be given due weightage. He argued that the prefix "Add" had become a well known trademark in relation to the Defendants' products and the term "space" was phonetically and literally significantly different from that of "star". Therefore, he contended that there was no likelihood of confusion and consequently no passing off.

14. The Plaintiffs argument that the actions of the Defendant amount to infringement u/s 29(2)(b) of the Act, Mr. Mehta contended, were misplaced. He submitted that "deceptively similar" does not find mention in the aforesaid provision. According to him, for an infringement action to be sustained u/s 29, not only should it be proved that the marks are similar but also that they are likely to cause confusion. Every similar mark does not necessarily cause confusion. Therefore, since the Defendants' products can be differentiated both in terms of the mark and the price, no confusion is caused and the action for infringement is not maintainable.

15. What emerges from the aforesaid discussion is that the Plaintiffs claims are two-fold. One, a claim for infringement and passing off in relation to the three ring device and the other, a similar claim in relation to the use of the expression "Spacewalker" as compared to "Starwalker". But before proceeding to the enquiry on infringement and passing off, it would only be prudent to address the concerns raised by the Defendants in relation to the law of designs. As stated earlier it is the case of the Defendants that since the three-ring mark of the Plaintiffs is in essence a design, and because it is not protected under copyright law or the law of designs, a protection cannot be granted under the law of trademarks and passing off. In this regard, Mr. Mehta had placed reliance on the decision reported as *Corning Incorporated USA v. Raj Kumar Garg* (2004) 28 PTC 257 to argue that a trademark and a design are entirely different concepts because the trademark is a device, label, colour, name or any other mark put on a product to link it to its producer. On the hand, it is contended that a design is merely a feature of shape, pattern, configuration, ornament or composition of lines or colours applied to an article to make it attractive and appealing to the eye of the customer.

16. The Court in *Corning's* case (supra), had proceeded to hold that the mark in question was a trademark and not a design, since it was adopted by the

manufacturers to distinguish their products from others. This reasoning, the opinion of Court is inapt to the present circumstances due to two reasons. Firstly, the definition of a mark, as stated in Section 2(1)(i) of the amended Act, that is the Trademarks Act, 1999 also includes shape of goods, while Corning (*supra*) was case decided under the Trademarks and Merchandise Act, 1958. The Designs Act, 2000 also extends protection features of shapes of goods which appeal to the eye. Secondly, the difference between affording protection to a mark as a trademark and a design lies not in the subject matter but in the purpose of protection. A trademark is a "badge of origin" (see Kerly's Law of Trademarks and Tradenames, 14th Edition, 2005) and indicates the source or trade origin of goods and services. On the other hand the law of designs, (or even the law of copyright) seeks to protect originality or inventiveness of the mark or design. To be registered as a trademark a mark need not be original, whereas, originality is a precondition for designs. If it satisfies this condition, it may be possible to register a trademark as a protected design as well. Therefore, even if it is accepted that the three-ring device is not protect under the Copyright Act, 1957 or the Designs Act, 2000, it still could be protected under the Trademarks Act, 1999.

17. That being so, it next needs to be addressed whether the Defendant's adoption of the said marks *prima facie* amounts to infringement and/or passing off. It would, in this context be necessary to extract the relevant provision of the Act:

Section 2(1)(h): "deceptively similar"--A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion;

Section 29. Infringement of registered trade marks--(1) A Registered trade mark is infringed by a person who, not being registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark

is likely to cause confusion on the part of the public, or which is likely to have an

association with the registered trade mark.

(3) In any case falling under Clause (c) of Sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof;

(c) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labeling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to

the use of a mark shall construed accordingly.

17. Section 29 of the Act, differs considerably from Section 29 and Section 30 of the Trademarks and Merchandise Act, 1958 is so far as it, in a very elaborate manner lists out the circumstances under which infringement of registered trademarks occur. Section 29(1) deals with a situation where the Defendant uses a mark, which is identical with or deceptively similar to that of the Plaintiff, in respect of the same goods or services, and in such manner that it is likely that such use is taken as being an use as a trademark. Therefore, in order to fall within Section 29(1), the Defendant's use of the mark must be so that it is likely that the public assumes that the said mark is used as a trademark. Section 29(2) deals with three situations; one where the Defendants mark is identical to that of the Plaintiff and in respect of similar goods. Two, where the marks are similar and in respect of goods which are identical or similar. Three, the marks as well as the goods are identical. But in order to constitute infringement merely satisfying one of the three would not suffice; it will have to be proved that such use by the Defendant is likely to cause confusion on the part of the public or is likely to have an association with the registered mark. Section 29(3) states that where both the mark and the goods in respect of the marks are identical, then the court shall presume that such use by the Defendant is likely to cause confusion on the part of the public. Section 29(4) on the other hand deals with cases where the marks are identical or similar but the goods with respect to those marks are not similar.

18. Presently, it is not the Plaintiffs case that the use of the marks by the Defendants is likely to be taken as being used as a trademark. Instead, the Plaintiff argues that actions of the Defendant constitute infringement u/s 29(2). A perusal of the word marks-"Starwalker" and "Spacewalker" and the three rings used by the Plaintiff and Defendants, as detailed in the illustrations filed, would reveal that neither the word marks or the rings are identical. Therefore, in so far as the Plaintiff claims presumption and consequent prima facie infringement u/s 29(2)(c) read with Section 29(3) cannot be accepted. Since both the marks are used in respect to identical goods, this Court, then needs to determine whether the Defendants adoption is likely to cause confusion in the minds of the public. It is not necessary to prove actual confusion or damage, it is sufficient if likelihood of confusion is established. Given that the three ring device adopted by the Defendants closely resembles the one used by the Plaintiff, and is being used by the Defendant at an identical position, with respect to writing instruments which are similarly shaped and coloured, this Courts is (of the view that there is a likelihood that such adoption of the mark by the Defendants would cause confusion in the minds of the public. Similarly, the adoption by the Defendants of phonetically and literally similar word mark-"Spacewalker" as compared to "Starwalker" of the Plaintiffs, in the absence of a satisfactory explanation as to its choice), would also cause confusion in the minds of the public, since it is being used on a writing instrument of similar getup and configuration along with a similar three ring device. The price difference, as has been held in NR Dingre (supra), will only result in further injury to the Plaintiffs goodwill as the products

will not be of similar standard. The adoption of a prefix "Add Gel" to the word mark Spacewalker, is not likely to mitigate the likelihood of confusion.

19. In the light of the above, the Defendants are, by an ad-interim order, during pendency of this Suit, restrained from using the three ring device or a device which is deceptively similar to the three ring device of the Plaintiffs on their writing instruments marketed under the brand name "Add Gel Spacewalker" and "Add Gel Gold Top". The Defendants are also restrained from using the word mark "Spacewalker" in relation writing instruments identical with or deceptively similar to the Plaintiffs products marketed under the brand name "Starwalker".

20. The interim applications are disposed off in the above terms.