

(2016) 04 AP CK 0057

In the Andhra Pradesh High Court

Case No : C.M.A. No. 784 OF 2015.

**M/s. Shine Chem Laboratories, A Partnership firm, rep. by its Proprietor
M. Dasanjaneyulu - Appellant @HASH Standard Reagents Private
Limited, Rep. by its MD Sri M.Srinivas**

Date of Decision : 29-04-2016

Acts Referred:

Citation : (2016) 6 AndhLD 606 : (2017) 1 CivilLJ 714 : (2017) 69 PTC 391

Hon'ble Judges : Sri A. Rajasheker Reddy, J.

Bench : Single Bench

**Advocate : Sri Ashok Ram Kumar, Advocate, for the Appellant; Sri Venkatesh
Deshpande, Advocate, for the Respondent**

Final Decision : Disposed Off

Judgement

Sri A. Rajasheker Reddy, J. - This appeal is filed challenging the order dated 21.07.2015 passed in I.A.No.658 of 2014 in O.S.No.1067 of 2014 by the XVI Additional District Judge and Sessions Judge cum XVI Additional Metropolitan Sessions Judge, Ranga Reddy District at Malkajgiri, wherein the injunction petition filed by the respondent/plaintiff was allowed and the defendant was restrained from manufacturing and selling his product "Karl Fisher Reagent" under Trade name of "Stable 2Y++", pending disposal of the suit.

2. Defendant in the suit is the appellant herein. The parties hereinafter will be referred to as arrayed in the suit.

The plaintiff filed petition under Order XXXIX, Rules 1 and 2 CPC read with Section 151 CPC for grant of ad-interim injunction restraining the defendant from manufacturing, selling, marketing, advertising, distributing of the product Karl Fisher Reagent bearing the plaintiff's trade name "Stable 2Y++ Single Solution KF Reagent" pending disposal of the suit. The plaintiff is a Private Limited Company incorporated under Companies Act. It has been doing business of manufacturer of sales of high performance laboratory solvents, reagents, standard solutions and fine chemicals. By using specific proportion of Aromatic Heterocyclic Compound with other raw material as ingredients to produce a

Pyridine-free Karl-Fisher Reagent Solution of the strength 5.0 to 6.0 mg/ml of water, with minimum two years stability and as such it is named as "Stable 2Y++ Single Solution KF Reagent" and is being approved for its stability for a minimum of 2 years from the recognised and authorised laboratories. The words "Stable 2Y++ Single Solution KF Reagent" describe the produce as to the stability of the produce in the packed bottle for a minimum period of 2 years. The Managing Director of the plaintiff-company made an application to Registrar of Trademarks for registering the brand name of the trade name and same is pending. The plaintiff has been using the said trademark since the year 2005 onwards and no other company in India using the same. The plaintiff's trade mark signifies the highest standards of quality, innovation, reliability, output and integrity.

3. The proprietor of the defendant's Company worked in the plaintiff's Company as a Marketing Manager for a period of 7 years from the year 2002-2009. Thereafter, he started a separate business and imitated the label, the trade name of the product "Stable 2Y++ Single Solution KF Reagent" and packed the product in a similar looking bottle and packing case and selling the same in the open market exhibiting as if the product being sold by the defendant as of his own product similar to that of the plaintiff's product with an intention to create confusion and deception in the minds of the customers and with an ulterior motive to injure his business, reputation and goodwill. That the said action of the defendant came to the knowledge of the plaintiff in the first week of September, 2014 and on that the plaintiff procured a sample of the product manufactured and marketed by the defendant. The act of defendant amounts to gross misrepresentation and passing off of goods branded deceptively in the name of the plaintiff's Company. Hence petition for injunction as noted above.

4. The defendant filed counter denying the allegations in the affidavit filed in support of the petition stating that there cannot be a passing off for a product KF Reagent as the origin inventor was one Mr. Karl Fisher, who is a German Chemist. The KF Reagent itself indicates the person "Karl Fisher" Reagent. The word "Single Solution" is a common English word and no one can claim proprietorship over the same. Further the word connotes that there is only one solution as an old process Pyridine which has two solutions. The words "Stable 2Y++ Single Solution KF Reagent" significantly describes as to the stability of the product in the packed bottle which is for a minimum period of two years. Thus, the trade mark is an indicative of the nature of the product which is a generic word and the plaintiff has no exclusive rights over the generic words. The registered partnership firm of the defendant consists of four partners, constituted for the purpose of doing business of manufacturing and trading of all types of industrial and laboratory chemicals, laboratory glassware and laboratory instruments. The defendant is doing business since the year 2014 onwards. One of the partners of the defendant firm was former employee of the plaintiff. In the year 2009, the said partner left the services of the plaintiff and started M/s. Shine Chem Laboratories in the year 2014 for the purpose of manufacturing "Karl Fisher Reagent" and doing business in the said product. That most of the chemical

companies are manufacturing "Karl Fisher Reagent" without pyridine in their style of process, as such, "Karl Fisher Reagent" without Pyridine has become a generic product and it is not an invention of anybody. The product packed in the bottle will be shown in the symbolic 2Y, 2Y++ or 5Y etc., Thus, the usage of ?2Y++? along with a trade mark of the plaintiff does not confer any right over it. That the application of the plaintiff for registration is still pending and the same does not qualify for being registered under Section 9 of Indian Trade Marks Act, 1999 as the trade mark is descriptive in nature. The defendant sold its generic Karl Fisher Reagent with its own conceived and coined Trade Mark of ?KF 2Y? with very distinctive coloured (yellow) packing slip. Since all the buyers of the plaintiff are educated, having scientific background, the question of purchasing the product of the defendant as that of the plaintiff's product does not arise. The package label of the defendant is distinctive, unique and shall not have any resemblance with that of the plaintiff's product. The defendant has his own version of generic product of Karl Fisher Reagent with brand of "KF 2Y", which is distinctive and shall not have any similarity or deceptive similarity with the Trade mark of the plaintiff that is "Stable 2Y++". The defendant has not misrepresented and misused the Trade Mark or good will of the plaintiff, as such, passing off goods should not be attributed to the defendant as the product of the plaintiff has not attained secondary meaning. The Trade Mark of the plaintiff "Stable 2Y++" itself is not having the essentials of a Trade Mark for not having distinctiveness and therefore, the plaintiff is not entitled for relief of injunction.

5. The trial Court, after considering the documentary evidence i.e., Exs.P1 to P85 marked on behalf of the plaintiff and Exs.R1 to R5 marked on behalf of the defendant, granted ad-interim injunction restraining the defendant from manufacturing, selling and marketing his product "Karl Fisher Reagent" under Trade name of ?Stable 2Y++? pending disposal of the suit. Aggrieved by the same, present appeal is filed.

6. Sri Ashok Ram Kumar, learned counsel for the defendant-appellant, strenuously contended that since the ?Stable 2Y++ Single Solution KF Reagent? is nothing but a descriptive nature of the product being reagent and the plaintiff is questioning the description of the product and not passing off of a brand. He also contends that there cannot be a claim of proprietorship on a descriptive terminology as there are several descriptive terminologies such as "Karl Fisher", "Pyridine Free", "Reagents", "Longer Shelf Life", "Stability" and "Single Solution" etc. He also submitted that the trial Court having found that the defendant is selling its product under Trade Mark "KF 2Y" and not "Stable 2Y++", erred in restraining the defendant from selling its product of Karl Fischer Reagent "KF 2Y++". That the impugned order will adversely affect the prosperous business of the defendant and there is likelihood of stamping the defendant as pirate. He further contended that any mark which is descriptive in nature is not protected since the same should be allotted to use by different vendors of the similar product to describe the product in their marketing literature. In support of his contentions, he relied on the decisions reported in N.R. Dongre v. Whirlpool Corporation,

(1996) 5 SCC 714, Cadila Healthcare Ltd., v. Gujarat Co-operative Milk, 2008 (36) PTC 168 (Del.), Micronix India v. Mr.J.R. Kapoor, 2003 (26) PTC 593 (Del., Commissioner of Central Excise, Mumbai v. M/s. Kalvert Foods India Pvt. Ltd., (2011) 8 SCLR 030.

7. On the other hand, learned counsel for the plaintiff submits that plaintiff-company is the owner of the trade mark "Stable 2Y++ Single Solution KF reagent" and enjoying exclusive right over the same. It has been using the said trade mark since the year 2005 and no other company in India is using the same trademark. The proprietor of the defendant company is an ex-employee of the plaintiff company, who worked as Marketing Manager during the years 2002-2009. The trade mark of the plaintiff signifies highest standards of quality, innovation, reliability, output and integrity. The plaintiff company has gained enormous goodwill over a period of 10 years in respect of the product. He further submits that the trade mark of the defendant's product is deceptively similar as that of the trademark of the plaintiff's product, which is creating any amount of confusion among the customers and there is every likelihood of the customers believe that the product marketed by the defendant's company in the name of "Stable 2Y++ Single Solution KF Reagent" as that of the product of the plaintiff's company. He further submits that the defendant wants to trade upon the goodwill, name and reputation of the plaintiff's company, which it has built-up during the last 10 years and the conduct of the defendant in branding their product as that of the plaintiff's product is fraudulent. In support of his submissions, reliance has been placed on the following decisions: a) Ashwini Chemical Works, Hyderabad v. Aswini Homeo Pharmacy, R.R.District, 2010 (1) ALD 199, b) T.V. Venugopal v. Ushodaya Enterprises Ltd., CA No. 6314-15 of 2001, c) Dhariwal Industries Ltd., v. M/s. M.S.S. Food Products, AIR 2005 SC 1999, d) Godfrey Philips India Ltd., v. Girnar Food & Beverages (P) Ltd., (2004) 5 SCC 257, e) Sri Sai Agencies Pvt. Ltd., v. Chintala Rama Rao, AIR 1998 AP 86 and f) Laxmikant V. Patel v. Chetanbhat Shah, 2002 (1) ALD 45 (SC) : AIR 2002 SC 275.

8. In view of above rival contentions, the following points emerge for consideration in this appeal.

- 1) Whether the alleged trade mark of the Plaintiff's product is descriptive in nature and whether the same has attained secondary meaning?
- 2) If so, whether ad-interim injunction granted in favour of the plaintiff is liable to be vacated?

9. Points 1 and 2:

It is relevant to extract the provisions of Sections 27 and 134 of the Trade Marks Act, 1999 reads as under:

"27. No action for infringement of unregistered trade mark: 1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for the

infringement of an unregistered trade mark.

2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

Section 134. Suit for infringement, etc., to be instituted before District Court:-
(1) No suit.

a) For the infringement of a registered trade mark; or b) Relating to any right in a registered trade mark; or c) For passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

A reading of the above provision shows that no action for infringement will lie in respect of an unregistered trade mark, but recognises the common law rights of the trade mark owner to take action against any person for passing off goods as the goods of another person or as services provided by another person or the remedies thereof. In order to prove passing off by the defendant, the plaintiff has to establish that the defendant is misrepresenting to the general public to sell his product as that of the products of the plaintiff, damaging the business or goodwill of the plaintiff.

10. A trademark is said to be infringed when a registered trademark is used by a person who is neither the registered proprietor nor the licensee of the said trademark in relation to the goods or services for which it is registered. From the scheme of the Act, it is discernable that trademark infringement means violation of exclusive rights granted to the registered proprietor under the Act, to use the same in relation to the goods or services in respect of which the trademark is registered. Section 29 and Section 30 of the Act, provides for protection of registered trademark in case the same is infringed upon by a person not being a registered proprietor or a licensee.

Action for Passing off the goods arises when an unregistered trademark is used by a person who is not the proprietor of the said trademark in relation to the goods or services of the trademark owner. Passing off is a tort actionable under common law and mainly used to protect the goodwill attached with the unregistered trademarks. It is founded on the basic tenant of law that one should not benefit from the labour of another. An action for infringement for registered trademark or tort of passing off for both registered as well as unregistered trademark are essentially two ways of achieving the same objectives i.e. protection of goodwill attached with a mark.

11. A perusal of the averments in the affidavit in respect of the injunction petition filed by the plaintiff goes to show that the Managing Director of the defendant's company invented the process using specific proportion of aromatic Heterocyclic Compound with other raw material as ingredients to produce a

Pyridine-free Karl Fisher Reagent solution with minimum two years stability, which was named as "Stable 2Y++ Single Solution KF reagent" and same has been approved for its stability, for a minimum of 2 years, from the recognised and authorised laboratories through lab tests conducted for 2 years by M/s. Startech Labs, who issued the analysis reports during the period from April, 2003 to March, 2005 and confirmed that the said product has stability for minimum 2 years. The words "Stable 2Y++ Single Solution KF Reagent" significantly describe the produce as to the stability of the produce in the packed bottle for a minimum period of 2 years. The unique quality of the product is described by these words and same was being produced and marketed by the plaintiff company under the brand name "Stable 2Y++ Single Solution KF reagent" since 2005. The said product has attained good reputation among the customers and goodwill in the business. The products of the plaintiff with trade name "Stable 2Y++ Single Solution KF Reagent" are being advertised and doing business as such. The plaintiff made application to Registrar of Trade Marks, Chennai vide TM Application No.2310332 on 04.04.2012 for registering the trade name "Stable 2Y++ Single Solution KF Reagent" which in chemical equations indicates that the product stability is for a minimum period of 2 years. Moreover, the application made by the plaintiff's company is pending consideration for registration.

12. That these averments in the affidavit of the plaintiff go to show that "Stable 2Y++" is a descriptive term for describing the stability of the product for a minimum period of 2 years and the words "Stable 2Y++" is description of the product regarding stability of the product. As such, it can safely be held that the words "Stable 2y++" indicates description of the product regarding stability and it is not a trade name.

13. The words "Karl Fisher Reagent" is invented by one "Karl Fisher", who is a German Scientist. When once it is not disputed that "Karl Fisher" who is a German Scientist invented the Reagent, named as "Karl Fisher Reagent", nobody can claim proprietorship over such invention, as such, the plaintiff cannot claim proprietorship over "Karl Fisher Reagent". As far as the words "Single Solution" are concerned, they are in the nature of generic words, and no one is permitted to claim proprietorship over generic words, unless those words attain secondary meaning. The entire alleged trademark is clearly indicative of the nature of the product, which otherwise is a disqualification for registration under Section 9 (1) (a) of the Act. Section 9(1) (a) of the Act reads as follows:

"9. Absolute grounds for refusal of registration:(1) The trade marks-

(a) which are devoid of any distinctive character, that is to say, capable of distinguishing the goods or services of one person from those of another person;

(b)??

(c) ?. shall not be registered.

A perusal of the trade mark which is sought to be registered under Trade Marks

Act, i.e., "Stable 2Y++ Single Solution KF reagent", there is no distinctive character capable of distinguishing the goods with that of the plaintiff's "Stable 2Y++". As such, no exclusive right is conferred on the plaintiff. It is pertinent to note that the defendant had sold generic Karl Fisher reagent with its own conceived and coined trade mark of "KF 2Y" with very distinctive coloured (Yellow) packing slip and corrugated packaging box and that there is huge distinction and variation in the phonetics as well as the colour combination of the labels adopted by both the parties.

14. A perusal of the said labels of both products show printed matter pertaining to science, warnings and precautions as well as descriptions and directions, which are mandatory as per the provisions of law. The packing of the product of plaintiff is in blue colour and the packing of the defendant's is in yellow colour. Moreover, the logo used by the plaintiff is "Standard Reagents" and the defendant is using its logo as "Shine Chem Laboratories". As such, the contention of the plaintiff that the labels used by the defendant are deceptively similar to that of plaintiff's, cannot be accepted. There is a substantial difference between both the labels i.e., "KF Reagent" used by the defendant's product and "Stable 2Y++ Single Solution KF Reagent" used by the plaintiff's product. Since the product of the defendant is sold as "KF Reagent", there is no passing off as alleged by the plaintiff.

a) In *N.R. Dongre and others v. Whirlpool Corporation and another* (supra), the Hon'ble Apex Court held as follows:

"An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In a passing-off action, however, the plaintiff's right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a misrepresentation made by the trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably, causes damages to the business or good of the other trader.....".

In the above cited judgment, suit is in the nature of passing off action filed by the respondents to restrain the appellants from manufacturing, selling, advertising or in any way using the trade mark "Whirlpool" in their product (washing machine) deceptively or confusingly. In the said case, the respondent has long association with the word "Whirlpool" who acquired trans-India reputation in respect of the same and that there was no reliable evidence of the appellants having marketed their product in that name for a considerable length of time and that irreparable injury would be caused to respondents' reputation

and goodwill as the product of appellants bearing that mark was of lower standard and quality. Accordingly, the Hon^{ble} Supreme Court, confirmed the injunction granted by the High Court in favour of the respondent therein. No evidence is produced in this case to show that the alleged trademark attained secondary meaning. In the instant case on hand, plaintiff has also not produced any evidence to show that the product sold by the defendant is deceptively similar to that of the plaintiff's product thereby causing irreparable injury to reputation and goodwill of the product of the plaintiff.

b) The Supreme Court in *Cadila Healthcare Ltd., v. Gujarat Cooperative Milk* (supra) laid down certain broad principles, while granting injunction, the relevant portion is as follows:-

"18. Over the years, the Law of Passing off has gradually undergone a paradigm shift. Whilst the principles of the Law have not changed in principle, the judicial approach whilst adjudicating upon an action for passing off has gradually changed as the Courts have become more circumspective of those who complain of deception. This is primarily owing to the propensity of traders in adopting purely descriptive words as trade marks, which, in effect, has a direct bearing on other potential traders intending to use such descriptive words for highlighting the characteristic attributes of their products. Though there is no restraint on traders from using purely descriptive words as trade marks, any trader who adopts a trade mark of such nature is proscribed by the can none of fair competition to claim monopoly or exclusivity in respect of thereof. Even though an action for passing off, in essence, continues to protect the distinctiveness associated with trade marks, it has become a challenge for Courts of law to ensure that no passing off action results in creating monopoly rights in the use of trade marks which are inherently descriptive or public Jurisdiction in nature."

51. It is noteworthy that throughout the course of the proceedings before this Court, the main plank of the plaintiff's contentions has been that the right to use a descriptive word even when it has acquired a secondary meaning would be permissible if and only if that is the only manner in which the product can be described and in no other. To make good its point, the plaintiff has proposed various similar permutations and combinations, viz. "No Sugar", "Without Sugar", "Free of Sugar", etc., using which the defendant can convey the special attributes of its product Pro Biotic Frozen Dessert. This contention of the plaintiff per se does not impress me. Simply because a number of alternatives are available to defendant to describe its product Pro Biotic Frozen Dessert does not imply that the plaintiff be allowed to arrogate to itself the monopoly to use the expression "Sugar Free", especially when the said expression being inherently descriptive in nature has become public Jurisdiction in relation to foods and beverages.

54. It is important to be borne in mind that use of a descriptive expression as a trade mark by a trader, irrespective of the said trade mark having acquired a secondary meaning and distinctiveness in relation to the trader's products, does

not entitle such trader from precluding other traders from using the said expression for the purposes of describing the characteristic features of their products. I have no hesitation in stating, albeit without prejudice to the rights and interests of the plaintiff in the present suit, that by adopting such a purely descriptive and laudatory expression "Sugar Free" as its trade mark, the plaintiff must be prepared to tolerate some degree of confusion which is inevitable owing to the wide spread use of such trade mark by fellow competitors. Simply because the plaintiff claims to be using the expression "Sugar Free" as a trade mark much prior to the launch of the defendant's product Pro Biotic Frozen Dessert in the market does not give this Court a good ground for imposing a blanket injunction on the defendant from using the expression "Sugar Free", especially when the defendant intends to use this expression only in its descriptive sense and not as a trade mark, and even otherwise, when the use of this expression is widespread in relation to foods and beverages.

57. No doubt that the confusion emanating from the conspicuous display of the expression "sugar free" on the packaging of the defendant's product is hard to ignore. However, I am afraid that imposing a blanket injunction on the use of a public Jurisdiction expression like "sugar free" will inequitably allow the plaintiff to monopolise the use of such expression, and this, in effect, will be antithetical to fair competition in trade and commerce. Thus, the challenge, in essence, before this Court is to provide such relief which would maintain the balance between the private right of the plaintiff to use the expression "Sugar Free" as its trade mark and the larger public right of traders to use the said expression in its descriptive sense."

As held in *Cadila Healthcare Ltd., v. Gujarat Co-operative Milk (supra)* imposing a blanket injunction on the use of a public jurisdiction expression will be antithetical to fair competition in trade and commerce.

c) In *Commissioner of Central Excise, Mumbai v. M/s.Kalvert Foods India Pvt. Ltd., (supra)*, the Hon^{ble} Supreme Court held as follows:

"32. In our considered opinion, the aforesaid brand name "New Improved Quick Frozen French Fries" is a descriptive word and the same could not have been termed and coined either as a "house name" or a "brand name" under any circumstances. There can be no dispute therefore with regard to the proposition of law laid down by this Court in the aforesaid decision?.."

In the instant case on hand, the use of descriptive words ?Stable 2y++ Single Solution KF reagent? describes the stability and quality of the product, cannot be claimed by the respondent/plaintiff as its trade mark, there is every likelihood of confusion which is inevitable owing to the wide spread use of such trade mark by fellow competitors. Simply because the respondent/plaintiff claims to be using the expression ?Stable 2y++ Single Solution KF reagent? as a trade mark much prior to the launch of the appellant's product ?Stable 2y++? in the market is not a good ground for imposing a blanket injunction on the appellant from using the

expression "Stable 2y++", especially when the appellant/defendant intends to use this expression only in its descriptive sense and not as a trade mark, and even otherwise. As stated supra, the words "Stable 2Y++ Single Solution KF reagent" is descriptive in nature. It has been held that no one can claim proprietorship over the trade mark in respect of descriptive words. As such, the appellant/defendant cannot be prevented from using a descriptive term in its original descriptive sense, unless it has wholly lost that descriptive sense and become distinctive of the respondent/plaintiff in every context.

15. In *Ashwini Chemical Works, Hyderabad v. Aswini Homeo Pharmacy, R.R.District and another* (supra), the trade mark of the appellant/defendant "Ashwini" is held deceptively similar in sound as that of the trade mark of the respondents/plaintiffs i.e., "Aswini" and there is any amount of confusion among the customers believe that the detergent cake marketed by the appellant/defendant in the nature of "Ashwini" as that of respondent/plaintiff. The purchasers on looking at the product of the appellant/defendant with trademark "Ashwini" there is every likelihood of their believing that the product is that of the respondents/plaintiffs. As the respondents/plaintiffs therein have satisfied all the essential ingredients for grant of temporary injunction, the injunction granted in favour of the respondent/plaintiff is confirmed by this Court.

16. A descriptive trade mark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or as being from a particular source. A mark which is prima facie descriptive will only be protected if it can be shown to have acquired secondary meaning that is to say, if it has become distinctive of the respondent/plaintiff. No doubt, injunction can be granted in respect of passing off action even in respect of descriptive word when the same has attained secondary meaning as held in *T.V. Venugopal v. Ushodaya Enterprises Ltd.*'s case (supra), wherein it is held as follows:

"100. The respondent company's mark "Eenadu" has acquired extra-ordinary reputation and goodwill in the State of Andhra Pradesh. "Eenadu" newspaper and TV are extremely well known and almost household words in the State of Andhra Pradesh. The word "Eenadu" may be a descriptive word but has acquired a secondary or subsidiary meaning and is fully identified with the products and services provided by the respondent company."

17. In *Office Cleaning Services Limited v. Westminster Office Cleaning Association*, 1944 (2) ALL ER 269, wherein the Court observed that the word "office cleaning" was held to be a descriptive word, for it is a descriptive of the business they carry on. It was held that the plaintiff could assume or establish monopoly on the said word only when they show that they have acquired a secondary or subsidiary meaning. But in the present case, no evidence is let in to show that the "Stable 2y++" has attained secondary meaning regarding the product of the respondent/plaintiff. Moreover, the application for registration of trade mark applied by the respondent/plaintiff in respect of the subject trade mark, admittedly is pending and the same has to be considered by the Registrar

of Trade Marks. The trial Court erroneously held that the appellant/defendant has not placed any material before the Court to show that there is definite formula to describe the product as 'Stable 2Y++'. In fact, the plaintiff himself stated in the affidavit in support of the injunction petition that the word 'Stable 2Y++' is indicative of stability of the product. In fact, the burden of proof lies on the plaintiff to prove his case.

18. In *Sri Sai Agencies Pvt. Ltd., v. Chintala Rama Rao* (supra), this Court observed that the seller introducing products earlier is entitled for injunction. It is a case wherein the producers of ghee using the trade marks as 'Mathura ghee' and 'Mathurag ghee' and the only difference between two trade marks is alphabet 'G'. Both the trade marks are phonetically similar and there is not much of difference in pictorial and monogram and the use of trade mark 'Mathurag' by rival producer commencing after lapse of five years is likely to deceive and confuse customers. The owner of the trade mark 'Mathura' popularised his mark by investing huge amount for advertisements, through different media right from the date of marketing his goods. As such, the prior user of the product i.e., 'Mathura' is entitled for injunction.

19. Though the Court below held that 'Stable 2Y++' is unique style of the plaintiff to describe its product, but no evidence is placed evidencing the same. The Court below also found that the defendant is using his product under trade name 'KF 2Y' and not as 'Stable 2Y++'. When plaintiff is using the trade mark of 'KF 2Y', no cause of action arises for granting of injunction, as such, granting of injunction restraining the defendant from using the trade mark 'KF 2Y++' is erroneous. A perusal of Exs.P3 to P13 and Exs.R2 to R5 goes to show that labels and style of font mentioning as 'Stable 2Y++' and the colour and logo are also not similar and back ground is also not similar. Besides the logo, the plaintiff is using the word 'Standard Reagents' whereas the defendant is using 'Shine Chem Laboratories'. As far as 'Single Solution' is concerned, it is descriptive word and 'Stable 2Y++' even according to the plaintiff, is descriptive in nature. The numeral '2' along with Y++ refers to the stability period being 2 years and single solution refers to composition of the solution. The mark 'Stable 2Y++ Single Solution' of the plaintiff does not have any distinctiveness and the descriptive sentence 'Single Solution KF Reagent' cannot be called as a proprietary mark or the trademark. Whether the words 'Stable 2Y++' has attained secondary meaning regarding the products of the plaintiff has to be gone into in the suit after evidence is let in by both parties. In view of above facts and circumstances other decisions relied on by both sides have no application to the facts of the case.

20. Apart from above, the plaintiff had not produced any documentary evidence showing that it has suffered damage or is likely to suffer damage because of the sale of the product by the defendant as that of the plaintiff. In the absence of the same, there cannot be any passing-off by the appellant as claimed by the respondent/plaintiff.

In *Laxmikant V. Patel*'s case (*supra*), the Supreme Court has explained the essentials which constitute passing off action, by holding as under:

"12??The three elements of passing off action are the reputation of goods, possibility of deception and likelihood of damages to the plaintiff. In our opinion, the same principle, which applies to trade mark, is applicable to trade name.

13. In an action for passing off it is usual, rather essential, to seek an injunction, temporary and ad-interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction?."

14. Accordingly, both the points are answered in favour of the appellant.

15. In view of above facts and circumstances, the impugned order of the Court below is set aside. It is needless to state that the Court below shall dispose of the suit, after considering the oral and documentary evidence of both sides, without being influenced by any of the observations made hereunder.

16. Accordingly, the Civil Miscellaneous Appeal is allowed. There shall be no order as to costs. As a sequel thereto, miscellaneous petitions, if any, pending shall stand closed.