

(2009) 10 MAD CK 0086

In the Madras High Court

Case No : Original Side Appeal No's. 223 to 225 of 2009 and M.P. No. 1 of 2009
in O.S.A. No. 223 and 224 of 2009

Nutrine Confectionery Co. Ltd.

APPELLANT

Vs

Icon Household Products Pvt. Ltd. and ITC Ltd

RESPONDENT

Date of Decision : 13-10-2009

Acts Referred:

Trade Marks Act, 1999 — Section 28(3), 9

Citation : (2009) 5 LW 369 : (2010) 42 PTC 41

Hon'ble Judges : R. Subbiah, J;M. Chockalingam, J

Bench : Division Bench

Advocate : R. Krishnamoorthy for APR Associates, for the Appellant; A.L. Somayaji, for A.A. Mohan, for the Respondent

Final Decision : Dismissed

Judgement

R. Subbiah, J.—This judgment shall govern all these three appeals in O.S.A. Nos. 223 to 225 of 2009 since all the appeals have arisen out

of a common order passed by the learned single Judge of this Court in dismissing the applications filed by the appellant herein.

2. All the applications came to be filed under the following facts and circumstances:

The dispute involved in all these appeals is pertaining to the use of a registered trade mark, namely, "Lacto" of the appellant/plaintiff. The appellant,

a well established and highly reputed confectionery company, is a leading manufacturer of confectionery products, such as sugar boiled

confectionery including toffees and they involved in the said business since 1952. In the year 1958, the appellant conceived and adopted a

distinctive trade mark "Lacto Bon Bon" when they introduced a premium

confectionery/sugar boiled confectionery with condensed milk as one of the ingredients. They have been using the said trade mark for the past five decades continuously and without any interruption. They have applied for almost 34 trade marks with "Lacto" either as prefix or suffix, such as Lacto Bon Bon, Lacto Novelties, Nu Laco, Maha Lacto, Maha Maha Lacto, Super Maha Lacto, etc., and the trade mark "Lacto" has thus become highly distinctive of the products of the appellant by virtue of long extensive and continuous uninterrupted use since 1958 in respect of various confectionery products manufactured and marketed by them. The children, who are the major consumers of the toffees, always associate the trade mark "Lacto" only with that of the appellant's trade mark. The toffees manufacturing by the appellant company with the trade mark "Lacto" are more popular in urban, sub-urban and in every remote corner of any village all over India. The sugar boiled toffee marketed under the trade mark "Maha Lacto" is the most sought after product among the other products of the appellant and is continuously marketed without any interruption since 1990. The appellant company is spending huge amounts for advertising the products under the trade mark "Lacto" and by which, the products under the trade mark "Lacto", particularly "Maha Lacto" has become highly popular.

3. While the situation stood thus, the respondents have introduced a sugar boiled confectionery in July, 2008 under the identical trade mark "Lacto" under the name of ""Candyman Lacto Criç½me Centre"", which is not only introduced with the trade mark similar to that of the appellant but also with identical twist wrap pack and in identical or deceptively similar pet jars to that of the appellant. Originally, the respondents introduced sugar boiled confectionery modified toffees with similar ingredients under the trade mark "Licks", but they could not reach the sales as expected and so the respondents deliberately chose the appellant's trade mark only to mislead the public to purchase the products of the respondents believing it to be the another product of the appellant. Since the respondents have infringed the appellant's registered trade mark "Lacto" they are guilty of passing off their products as that of the appellant. Under such circumstances, the appellant herein filed a suit for permanent injunction restraining the defendants from infringing the appellant's trademark "Lacto" and

passing off their goods as that of the plaintiff and also for other reliefs.

4. Pending suit, the appellant has also filed applications in O.A. No. 914 and 915 of 2008 for temporary injunction, one for restraining the

respondents from in any manner passing off their goods as that of the appellant by using the offending trade mark "Lacto" and another for

restraining the respondents from in any manner infringing the appellant's trade mark "Lacto" and also filed another application, namely, A. No.

1230 of 2009 seeking to pass a decree in the suit in prayer "a" and "b" in para 16 of the plaint.

5. The said applications were resisted by the respondents mainly on the ground that the word "Lacto" is a common, generic and descriptive word

and hence, the appellant cannot have any exclusive right over the same. There are several other traders using the word "Lacto" as part of their

brand names of their confectionery products. When that being so, the respondents cannot be prevented from using their bona fide trade mark

"Candyman Lacto Crič½me Centre". In fact, the 2nd respondent has carried out a detailed search in the Trade Marks Registry in classes 5, 29

and 30 and found that there are several trade marks registered/applied for by different companies for trade marks with "Lacto" as prefix or suffix.

The word "Lacto" means "relating to milk" and "Lacto Bon Bon" is a common generic expression denoting a type of milk candy. Under such

circumstances, the appellants cannot have any exclusive right over the word "Lacto". The respondents are marketing the confectioneries under the

trade mark "Candyman Lacto Crič½me Centre", which is a composite mark and its shape, configuration, colour scheme, get up and the lay out

are completely different from the appellant. Further, the trade mark of the respondents, viz., "Candyman Lacto Crič½me Centre" is not

phonetically, visually or structurally identical to that of the appellant's trade mark "Nutrine Lacto Super", "Nutrine Maha Lacto" and "Lactaire". In

fact, the trade mark "Maha Lacto" is not yet registered in the name of the appellant and a search carried out by the 2nd respondent in the Trade

Marks Registry reveals that the appellant had filed application No. 540800 for the trade mark "Maha Lacto" and the said application was

abandoned. The said fact would clearly reveal that the Trade Marks Registry

would have refused to accept the application as "Maha Lacto" is a descriptive word, directly descriptive of character and quality of the goods and therefore, liable to be refused u/s 9 of the Trade Marks Act. But the appellant had deliberately suppressed these material facts and filed the suit and hence, the applications have got to be dismissed.

6. The learned single Judge, after considering the submissions made by both sides, dismissed all the applications, by order dated 08.06.2009.

Challenging the same, the present appeals have been filed by the plaintiff.

7. Learned Senior Counsel for the appellant contended that the appellant has been carrying on the business of confectionery since 1952. The plaintiff's products are marketed under distinct trade mark in the year 1958. The appellant has conceived and adopted a trade mark "Lacto Bon

Bon" right from the year 1958 and they have introduced various confectionery products by having the trade name "Lacto" as either prefix or suffix.

In this regard, the learned senior counsel invited the attention of this Court to the various documents, namely, invoices for domestic sales of Lacto

Products, Chartered Accountant Certificate Sales of Lacto Products since 1995 to 2008, Invoices for the advertisement of the product Lacto,

Price list of Lacto approved by Central Excise from 1980 to 2000, etc., and contended that the appellants have been using the trade mark "Lacto"

for more than five decades and that the said documents would show that the presence of the appellants' products in the market in a packed way

for quite a long time. It was further contended that the extensive use of trade mark of the appellant ever since 1958 would show that the said mark

has, in fact, acquired secondary meaning to refer to the products of the appellant and due to usage of the word for a length of time, the word

"Lacto" has lost its primary meaning. Therefore, it cannot be said that the word "Lacto" is a common and generic and the respondents cannot be

prevented from using the said name. In support of his contention, the learned senior counsel for the appellant relied upon a plethora of decisions

reported in

(1) Indian Shaving Products Ltd. v. Gift Pack and Anr. 1998 (18) PTC 698;

(2) Godfrey Philips India Ltd. Vs. Girnar Food and Beverages Pvt. Ltd., ;

(3) Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories PTC (Supp) (2) 680 (SC);

(4) The Andhra Perfumery Works joint family Concerns Vs. Karupakula Suryanarayaniah and Others, ;

(5) Corn Products Refining Co. Vs. Shangrila Food Products Ltd., ;

(6) Globe Super Parts v. Blue Super Flame Industries AIR 1986 Delhi 245; and

(7) T.T.K. Krishnamachari & Co. v. Godrej Agrovet Ltd. (2009) 1 MLJ 679

8. It was the further contention of the learned Counsel for the appellant that the claim of the respondents that they have been using "Candyman

Lacto Crī½me Center" as a composite mark would show that the respondents are not using "Lacto" to describe the product but as a part of their

trade mark. The appellants are using the said word independently and much more prominently than their brand Candyman. Since the appellant is a

prior user/registered owner of "Lacto", it was admitted in the counter affidavit by the respondents in the original applications, that the "Lacto" is a

common word to trade and the adoption of the "Lacto" by them is honest and bona fide. Based on the said admission, the learned single Judge

ought to have allowed the application taken out by them in O.A.1230 of 2009 to grant a decree on the admission made by the respondents.

9. The learned senior counsel further invited the attention of this Court to the Trade Mark Registration Certificate of the trade mark "Lacto Super"

as well as the journal advertisement of the trade mark "Lacto Super" with the disclaimer of "Super", which are available at pages 9 to 12 of the

typed set of the appellant and contended that the said documents establish that "Lacto" is the trade mark registered by the appellant. The

respondents introduced the sugar boiled confectionery with the identical trade mark "Lacto" in July 2008 with identical twist wrap pack, with the

trade mark of the appellants, which they have been using for five decades and thereby misleading the general public, particularly the children, who

are the main consumers of the products of the appellant. In this regard, the learned senior counsel, by placing the samples of the products of the

appellant and the respondents, submitted that originally the respondents introduced sugar boiled confectionary modified toffees with similar

ingredients under the trade mark "Licks" in pillow pouches and subsequently, in July, 2008, they introduced the sugar boiled confectionary

modified toffee under the identical trade mark "Lacto" with identical twist wrap pack and in identical or deceptively pet jars to that of the appellant,

thereby the respondents have been passing off their goods as that of the appellants. Thus, the learned senior counsel submitted that there is a prima facie case and the balance of convenience is also in favour of the appellant and if the injunction is not granted pending suit, the appellant would be put to irreparable loss and under such circumstances, the order passed by the learned single Judge has got to be set aside.

10. On the contrary, the learned senior counsel for the respondents contended that the exclusive mark "Lacto" is not a registered one and the same

is only a part of the mark registered by the appellant. In this regard, the learned senior counsel for the respondents invited the attention of this

Court to the prayer (a) found in the plaint and contended that the trade mark "Lacto" was not exclusively registered as trade mark by the

appellants. Therefore, the question of infringing the appellant's trade mark by the respondents does not arise. Further, the products of the appellant

as well as the respondents would show that the shape, configuration, colour scheme, get up and the lay out are completely different from each

other and it could be easily differentiated. Further it was vehemently contended that the word "Lacto" is a common, generic and descriptive word

and that is common to the trade. The learned senior counsel has relied on the various documents and demonstrated that there are several traders

using the word "Lacto" as part of their brand name of their confectionery products. The word "Lacto" is connected with the milk products.

Therefore, the appellant cannot claim exclusive right over the word "Lacto". Further, by inviting the attention of this Court to the provisions of the

Food Adulteration Act, and also to the description made in the Indian standard Institution with regard to the standard of various products

submitted that the word "Lacto" is a common generic word. In support of this contention, the learned Counsel has also relied upon a catena of

decisions and submitted that the order of the learned single Judge has got to be confirmed.

11. Heard the learned senior counsel for both sides and perused the materials on record.

12. In the light of the submissions of the learned senior counsel for both sides, the significant question that arises for consideration is whether any

prima facie case has been made out by the appellant and whether the balance of convenience is in favour of the appellant for granting the

injunction?

13. According to the appellant, they have been doing the business in confectionery products since 1952. In the year 1958, they introduced the trade mark "Lacto Bon Bon", a premium confectionery/sugar boiled confectionary. The list of brand/trade mark found in page 3 of the plaint, would show that the word "Lacto" has been used by them as either prefix or suffix or containing as part of its trade mark in their products. The entire material on record would show that the word "Lacto" has not been registered as an exclusive trade mark and all along they have been using the same only as part of the trade mark. But, according to the respondents, the word "Lacto" is a common, generic and descriptive word. In support of their contention, the learned senior counsel for the respondents has relied on the meaning of the word "Lacto" from various dictionaries, namely, from the Concise Oxford English Dictionary, it could be understood that "Lacto" means "relating to a milk"; in the Collins English Dictionary and Thesaurus, it is stated that "Lacto" means "indicating milk", etc. Further, from the various documents produced on the side of the respondents, it could be seen that there are several other traders using the word "Lacto" as part of the brand names of their confectionery products. As could be seen from the interview given to the media by the Executive Director of the Nutrine Confectionery (available at page No. 58 of the typed set of the respondents), it is clear that one of the leading companies, namely, Parry's Confectionery are also manufacturing the products under the name of "Lacto king". Further, from the documents produced on the side of the respondents, we find that various traders are manufacturing different products inclusive of confectionery by using the word "Lacto".

14. Learned senior counsel for the appellant has relied upon Section 28(3) of the Trade Marks Act and submitted that when two or more persons are registered proprietors of a trade mark which are identical with or nearly resemble each other, any one of those persons has a right to initiate action as if he was the sole registered proprietor. In this regard, the learned Counsel for the appellant has also relied upon a judgment of the High Court of Justice, (Chancery Division) reported in *Associated Newspapers Ltd. v. Express Newspapers* (2003) F.S.R. 51 page 1 as follows:

28. As Mr Watson implicitly accepts, there is no requirement in the law of passing off that the claimant's reputation has to be exclusive. There have

been a number of cases where a claimant has succeeded even though he was not the only trader with a reputation in the mark. A newcomer who

adopts a mark employed by more than one competitor and thereby deceives the public harms each of them. There is no reason in principle and no

authority which suggests that because a number of proprietors are harmed, none of them can seek to restrain the interference with their trade. Mr

Watson also did not put forward any reason why shared reputation could only be protected where there are "very few" traders using the same or

similar marks. I can see no reason why this should be so. It may well be that where a number of traders use a similar name as or as part of their

trade mark, the public will become more discerning about small differences between them. This may make misrepresentation less easy to prove.

But that is quite different to saying that the traders do not have protectable reputations in their marks. It follows that I do not accept this argument.

If, as appears to be the case, the claimant has a reputation in The Mail, Daily Mail and The Mail on Sunday as an indication of newspaper titles

which incorporate the word "mail" does not deprive it of the right to protect that reputation.

We are not inclined to accept the principle laid down in the said decision because the said decision relied upon by the learned senior counsel for

the appellant is pertaining to the use of the word "mail" between few publishers of the newspapers. But in the case on hand, a perusal of the

documents, which are available at pages 30 to 47 of the typed set of the respondents, it could be found that several companies are manufacturing

the products by having the name of Lacto, such as Lacto King, Lacto Plus, Bada Lacto, Lacto Plus, Maha Laco Candy, etc. From the search

report obtained by the respondents, it could be found that there are so many products registered their trademarks with "Lacto" as prefix or suffix.

15. Though it was submitted by the learned Counsel for the appellant that most of the traders, who are manufacturing their products with the name

"Lacto" either prefixing or suffixing are not brought in the net of offence of infringement for the simple reason that they are all small traders, this

Court is of the view, from the mere non-taking of any legal action ipso facto against those small traders in the absence of any charge, levelled

against them, cannot serve as supportive ground to such contention of the appellant, unless the commission of infringement is demonstrably established by sufficient and acceptable evidence. But on the other hand the fact of infringement within its meaning against the infringer by usage of the word "Lacto" should be independently proved to the satisfaction of the Court. For these reasons, the said contention made on behalf of the appellant cannot be accepted.

16. Further, as pointed out by the learned senior counsel for the respondents, in the prayer (a) in the plaint, the appellant sought for a permanent injunction restraining the respondents from infringing the appellant's trade mark Lacto and Lacto Super, Maha Lacto and Lactaire; but as stated supra, the word "Lacto" was not registered by the appellant as an exclusive mark. Similarly, in the sales turn over figures given by the appellant in para 8 of the plaint, the product "Lacto Super" does not find place. No documentary evidence was produced to show that they are marketing the product "Lacto Super". As contended by the respondents, when the word "Lacto" was not registered as an exclusive mark, using of the word "Lacto" by the respondents cannot be construed that the respondents are infringing the appellant's trade mark "Lacto". Though a submission was made by the learned Counsel for the appellant that ever since 1958, the appellants are using the word "Lacto" and it has acquired secondary meaning to refer to the products of the appellant, the same cannot be looked into at this stage and the question as to whether the name had acquired secondary meaning or not could be decided only at the time of trial, particularly, when umpteen number of products are having the prefix or suffix name as "Lacto".

17. Though a catena of decisions are relied upon by the learned Counsel for the appellant in support of his contention (as referred in para No. 7 of this judgment) that on account of the long usage of the word "Lacto" by the appellant in their products it has acquired a secondary meaning, all those decisions will not be helpful to decide the issue at this stage, particularly in the circumstances when umpteen number of traders are using the word "Lacto". Further, as pointed out by the learned Counsel for the respondents, the word "Lacto Bon Bon" finds a place in Appendix B of the Prevention of Food Adulteration Rules, 1955. The relevant passage from the said

Rule as follows:

A.25.01-SUGAR BOILED CONFECTIONERY whether sold as hard boiled sugar confectionery or pan goods confectionery or toffee or milk

toffee or modified coffee or LACTO BON BON or by any other name shall mean a processed composite food article made from sugar with or

without doctoring agents such as cream of tartar by process of boiling whether panned or not. It may contain centre filling, or otherwise, which may

be in the form of liquid, semi-solid or solids with or without coating of sugar or chocolate or both. It may also contain any of the following:

(i) sweetening agents such as sugar, invert sugar, jaggery, lactose, gur, bura sugar, khandsari, sorbitol, honey, liquid glucose;....

18. Similarly, as pointed out by the learned senior counsel for the respondents, the Indian Standards Institution laid down the standards of various

products, from which it is evident the word "Lacto bon bon" is a common generic expression used in relation to milk candies. Under such

circumstances, the only contention of the appellant that by long usage of the word "Lacto", it has acquired the secondary meaning, could be looked

into at the time of trial and not at this stage. Therefore, in our opinion, no prima facie case has been made out to grant an injunction in favor of the

appellants as prayed by them that the respondents are infringing the word "Lacto".

19. In this regard, it is more apt and appropriate to rely on the judgment of this Court reported in Parle Products Ltd v. Bakemans Industries Ltd.

1998 (PTC) 18, wherein a dispute was raised under the Trade Marks Act in usage of word "Glucos Biscuits" between two traders manufacturing

the biscuits under the name Gluco-V and Gluco Bico. This Court has held that "it is thus evident that several biscuits manufacturers use the word

GLUCO to indicate that Glucose is an ingredient in the biscuits. "Gluco" is an ordinary word in which no one has any right has not been assailed".

The said principle could be adopted to the case on hand and it is not in dispute that the word "Lacto" refers to the products made in the milk.

20. As a second fold of submission, the learned Counsel for the appellant contended that in order to deceive the children, who are the major

consumers, the respondents are using the same kind of package identical to the packaging of the appellant. In this regard, the learned senior

counsel for the appellant has also invited the attention of this Court to the packages of toffees of the appellant and respondent by placing the samples before the Court. But a cursory glance on the samples, we find that the outer wrap of the appellant's product namely, "Maha Lacto" is of golden colour in combination with red colour, whereas the outer wrapper of the respondents "Candyman Lacto Crič½me Center" is of majenta colour in combination with golden colour. Similarly, we find that the mark "Maha Lacto" is written in red colour in golden background, whereas the mark "Candyman Lacto Creme Center" is written in blue, magenta and yellow colour combination in an oval device. The corporate mark "Nutrine" is written in golden colour within a red rectangle. But the umbrella mark "Candyman" is written in blue colour on top of the oval device.

When comparing these samples, we could see that a consumer can easily identify the commodities in the shape and size of package. It is well settled principle that if the defendant can show that the added matter is sufficient to distinguish its case from the plaintiff, he can come out of the case putforth by the plaintiff. In support of this principle, the learned senior counsel for the respondents has also relied on certain passages from the judgment of AIR 1965 SC 980 Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories PTC (Asupp)(2) 680 SC. Therefore, on seeing the samples, we are of the opinion that it could not be claimed by the appellant that both the products are deceptively similar and identical and the consumers, who are mainly children, would get deceived.

21. Further, the judgments relied upon by the respondents reported in 1965 (1) SCR page 737 in the case of Kaviraj Pandit Durga Dutt Sharma

v. Navaratna Pharmaceutical Laborateries could be taken as a binding reference to decide the issue involved in these appeals. In the said judgment, it has been as follows

23. When once the use by the defendant of the mark which is claimed to be an infringement is to be decided by comparison of the two marks.

Where the two marks are identical no further questions arise; then the infringement is made out. When the two marks are not identical, the plaintiff shall have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is registered.

In the instant case the main contention of the appellant is that the appellant's

trade mark "Lacto" has acquired secondary meaning on account of long usage and the respondents are infringing the said mark by using the word "Lacto" in their product introduced in the year 2008.

22. As stated supra, whether the "Lacto" had acquired secondary meaning or not could be gone into only at the time of the trial on the basis of the oral and documentary evidence that may be adduced, since the documents produced by the respondents would show the word "Lacto" forms part of a number of trade marks used by many companies all over the world. Similarly on looking into the samples of the products of the appellant as well as the respondents, we do not find any deceptive and phonetic similarity between them.

Hence, the Court is of the considered opinion that the appellant has not made out a case for granting injunction as prayed for in view of the above discussion and the balance of convenience is also not in favour of the appellant. Accordingly, all the appeals are dismissed, confirming the common order passed by the learned single judge. There will be no order as to costs.