

(2001) 09 DEL CK 0197

In the Delhi High Court

Case No : I.A. No. 3097 of 2001 in Suit No. 635 of 2001

Pepsi Co. Inc. and Another

APPELLANT

Vs

Hindustan Coca Cola and Others

RESPONDENT

Date of Decision : 01-09-2001

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2

Copyright Act, 1957 — Section 14, 2, 48

Trade and Merchandise Marks Act, 1958 — Section 2(1), 2(2)(b), 28, 29, 29(1)

Trade Marks Act, 1940 — Section 21, 21(1), 68

Citation : (2001) 94 DLT 30

Hon'ble Judges : C.K. Mahajan, J

Bench : Single Bench

Advocate : Kapil Sibal, Pratibha M. Singh and Radha Chawla, for the Appellant;
Iqbal Chagla Pallavi Shroff and T. Murthy, for the Respondent

Final Decision : Dismissed

Judgement

C.K. Mahajan, J.—By way of this application for grant of an interim injunction, the plaintiffs seek orders restraining the defendants from in any manner infringing upon the registered trademark of the plaintiffs by use of Globe Device, the word PAPPI or any other word which is deceptively similar to the mark of the plaintiffs Pepsi by using the same in the impugned commercials. Restraint is also sought against the defendants from infringing upon the copyright of the plaintiffs in the works YEH DIL MANGE MORE, Globe Device, television commercials of the plaintiffs including the Roller Coaster Commercial. What the plaintiffs seek is that the defendants be restrained from telecasting the impugned commercials or any other form of advertising through print, electronic or media on the ground that impugned commercials infringe the trademark and copyright of the plaintiffs and disparage the plaintiffs' products which has resulted in dilution of plaintiffs' goodwill and reputation.

2. The multi-national giants namely Pepsico Inc and Ors. and Hindustan Coca Cola and another are at war again on the economic plane in a bid to dominate

the soft drink market, There is long history of trade rivalry between these two multinational Corporations.

3. Another round of litigation has commenced between these two multinational Corporations and this time in the field of comparative advertising. The commercials by the defendants for its products have been objected to by the plaintiffs on the grounds of infringement of their rights under the trademark and Copyright Act and on the ground of disparagement.

4. The plaintiffs claim to be the registered owners of the mark PEPSI, PEPSI COLA and Globe Device.

The details of registration are as under:

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Trade Mark Registration No. Class Date PEPSI-COLA 81553 32 11.6.1943 PEPSI 173280 32 21.2.1956 PEPSI 417908 32 18.2.1984 PEPSI-COLA 417909 32 18.2.1984 Globe Device + 417911 32 18.2.1984 Pepsi Cola Globe Device + 417910 32 18.2.1984 Pepsi Globe Device 563981 32 18.12.1991 Globe Device + 563997 32 18.12.1991 Three Field Device + Pepsi Light. Applications due to be registered Globe + Three 563995 32 18.12.1991 field Device + Pepsi. Globe + Three 563996 32 18.12.1991 field Device + Diet Pepsi

The plaintiffs also claim to be owners of the copyright in the work YEH DIL MANGE MORE: The details of registration are as under:

Registration No. Date Work L-18403/99 7.7.1999 YEH DIL MANGE MORE-(phrase) L-18404/99 7.7.1999 YEH DIL MANGE MORE-(song)

5. ownership is also claimed by the plaintiffs on the trademark YEH DIL MANGE MORE. The plaintiffs applied on 31st December, 1998 for registration of the said phrase YEH DIL MANGE MORE as a trade mark under the Trade and Merchandise Marks Act, 1958. The detail of application are as under:

Trade Mark Appl. No. Class Mark 834700 32 Pepsi YEH DIL MANGE MORE label. 834701 32 Pepsi YEH DIL MANGE MORE (word per se).

6. The plaintiffs also claim to have exclusive right in the Roller Coaster Commercial. The Globe Device is also claimed to be an original artistic work under the Copyright Act.

7. The plaintiffs popularised its products by means of publicity in the print media, electronic media, hoardings, banners etc. Various advertising themes were introduced by the plaintiffs. In December, 1998, the plaintiffs coined the phrase YEH DIL MANGE MORE for advertising Pepsi. The plaintiffs claim that the phrase YEH DIL MANGE MORE is original literary work, which was registered under the Copyright Act of 1957. With the adoption of the said phrase, it has come to be exclusively associated with the plaintiffs. The plaintiffs claim YEH DIL MANGE MORE to be a mark apart from the statutory right under the Copyright Act. In short, the plaintiffs claim to be exclusive ownership and the lawful proprietor of

all rights in Pepsi, Globe Device and the phrase YEH DIL MANGE MORE, which are registered under The Trade and Merchandise Marks Act, 1958 (hereinafter referred to as 1958 Act) and Copyright Act of 1957. The plaintiffs contend that the use of the word Pepsi or any other deceptively similar word constitutes infringement of the plaintiffs registered trademark, The use of the Globe Device or any other device which is a colourable imitation or a substantial reproduction of the said device constitute violation of trademark right and copyright in favor of the plaintiffs. The use of phrase YEH DIL MANGE MORE or a substantial portion of the same also constitute infringement of plaintiffs copyright.

8. With a view to promote their products i.e. Thums Up and Sprite, a series of television commercials were launched by the defendants.

9. The plaintiffs allege that the defendants' commercial disparage the goods of the plaintiffs, infringe the trademark and copyright of the plaintiffs in relation to the plaintiffs mark Pepsi, Globe Device and the phrase YEH DIL MANGE MORE. The Roller Coaster Commercial has been copied by the defendants, thus infringing the copyright of the plaintiffs. It is in these circumstances that the plaintiffs in this action pray that the defendants be enjoined from infringing the registered trademark and copyright of the plaintiffs and be further restrained from telecasting the commercials.

10. The application is opposed by the defendants. The allegations are controverted. It is stated the present litigation is frivolous and the plaintiffs are not entitled to equitable relief prayed for. It is stated that Cola War is a matter of trade rivalry and a market place matter and ought not to spill over to the Court of law. They further contend that this Court shall not encourage luxury litigation and the parties should be left to approach an appropriate Forum for settling their commercial disputes. The defendants have neither infringed the trademark or copyright of the plaintiffs nor they disparage the goods of plaintiffs in any manner. It was contended that defendants are at liberty to puff and promote their goods. It is also submitted that the suit has been filed mala fide as the plaintiffs have complained to this Court of advertising campaigns on part of the defendants but they themselves have indulged in campaigns of comparative advertising which are offensive and disparaging.

11. It was also stated that the defendants have spent crores of rupees on their advertising campaigns. The effect of an injunction at the interim stage would cause grievous injury and loss to the defendants. According to the defendants the advertisements are nothing more than a parody and are aimed at poking fun at the advertisement of the plaintiffs.

12. It is not necessary to detail the story board of the advertisements/commercials. According to plaintiffs, advertisement No. 1 at page 30, advertisement No. 2 at pages 35 to 45, advertisement No. 3 at pages 46 to 50 and advertisement No. 4 at page 51 of the plaint violates the statutory and common law rights of the plaintiffs and also disparage the goods of the plaintiffs.

The Roller Coaster Commercial (Sprite Commercial) of the defendants is stated to be a virtual reproduction of the plaintiffs' commercial, thus infringing the copyright of the plaintiffs in its Roller Coaster Commercial. It is stated that it copies all elements of plaintiff's Roller Coaster Commercial.

13. A party would be entitled to relief under Order 39 Rules 1 and 2 provided it satisfies the Court that it has a prima facie case; that balance of convenience is in his favor and that irreparable loss and injury would be caused to him if interim relief is not granted. The aforesaid three phrases are not rhetoric phrases but elastic words to meet a wide range of situation in given set of facts and circumstances. The burden is always on the plaintiff/applicant to satisfy the Court that a prima facie case exists in his favor. The Court must further satisfy itself that non-interference by the Court would result in irreparable injury to a party seeking relief. Irreparable injury means that the injury must be a material one, one that the Court cannot adequately compensate by way of damages. The Court is expected to exercise sound judicial discretion to find out the amount of substantial mischief or injury which is likely to be caused to one party if injunction is refused and compare it with mischief or injury that is likely to be caused to the other party if the injunction is granted.

14. In the present case important questions have been raised which will have far reaching consequences in their nature and impact on the trading community as a whole. According to the plaintiffs, the use of a competitor trade mark, even though not resulting in any deception/ confusion, for the purposes of comparative advertising per se amounts to infringement.

15. Another interesting question that arises on which no Indian law has been placed before this Court is whether the use by the defendants of the plaintiffs mark in comparative advertising constitutes infringement.

16. According to the plaintiffs, the use of a competitor's trade mark, even though not resulting in any deception/confusion, for the purposes of comparative advertising per se amounts to infringement. The commercial advertisements of the defendants infringe the globe device and Pepsi mark.

17. It is not in dispute that the plaintiffs are the registered owners of the trade mark Pepsi and the globe device. In the process of comparison it is alleged that the defendants have infringed the mark and the device of the plaintiffs. Exclusive rights are conferred by Section 28 of the Act and the use of the mark or the device or deceptively similar marks constitute infringement.

18. The plaintiffs made a comparative study of the Trade Mark Acts of U.K. and India. It was stated that the Trade Marks Act, 1940 and 1958 Act of India were based on Trade Mark Act, 1938 (U.K.) (hereinafter called as 1938 Act). Section 4(1)(b) of the U.K. Act was an integral part of 1958 Act and it was stated that the words "in a case in which the use is used upon goods or in physical relation thereto" were incorporated in Section 2(2)(b) of 1958 Act of India. The words "as imparting a reference to some persons having their right either as proprietor or

as registered user or use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade" is contained in the definition of the Trade Mark in 1958 Act. It is contended that these two portions have to be automatically read as a part of Section 29 as the terms "use in the relation of goods and trade mark are contained in Section 29".

19. Similar provisions, it is stated, exists under the Irish Trade Mark Act and in the New Zealand Trade Mark Act.

20. Reliance was placed on *Bismag v. Amlins* 1940 (2) All ER 608, (hereinafter called as *Bismag case*). In that case, defendant used the plaintiff's registered trade mark "Bisurated" in its comparative advertising. The advertisement related to a comparison of the prices between the plaintiff's and the defendant's products. It was held that defendant had infringed upon the exclusive right of the plaintiffs. Reliance was also placed on *Montana Wines v. Villamaria Wines Ltd.* 1985 FSR 400; *Gallaher (Dublin) Limited v. The Health Education Bureau* 1982 FSR 464; and *Compaq v. Dell Computers* 1992 FSR 93.

21. It was further contended that the registered trade marks or deceptively similar marks of the plaintiffs have been used by the defendants in violation of the exclusive right conferred upon the plaintiffs u/s 28 of the Act and the same would constitute infringement. According to the plaintiffs, the following questions arose for consideration:

(a) Whether the device used by the defendants is identical and deceptively similar to the Globe Device?

(b) (b) Whether the defendants used the word Pepsi or any other deceptively similar word/mark in their advertisements? and

(c) (c) Whether the said use constituted infringement of registered trade mark?

(d)

22. The plaintiffs urged that a prima facie case is established from the fact that the defendants have infringed the registered trademark and the Globe Device of the plaintiffs. The plaintiffs conceded that there was no decided Indian case on the issue of use of the plaintiffs trade mark in comparative advertising and the question, whether or not there was infringement of their trademark, could only be answered on a reading of the 1958 Act and the particular Sections 2(1)(v)(ii) and 2(2)(a) and 2(2)(b), Section 28 and Section 29.

23. The defendants opposed the application and contended that plaintiffs have failed to make out any prima facie case for grant of interim protection. To constitute infringement the plaintiffs had to show that the defendants use of the mark Pepsi or the Globe Device or any other mark identical with or deceptively similar thereto was in the course of trade and that such use was in relation to the defendants goods in such a manner as to suggest that the goods were manufactured by the defendants.

24. Reliance was placed on the judgment of Supreme Court in Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, wherein the Court laid down the tests for determining deceptive similarity between marks in the context of registration in cases of infringement. Reference is also made to the tests formulated by Lord Parker in Re Pionotist Company Ltd. reported in 23 (1906) RPC 774. Reliance was also placed on a judgment of Supreme Court in Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., , wherein the Supreme Court laid down tests to be followed in an action for infringement.

25. The defendants denied the use of the word Pepsi in their commercial and urged that the word PAPPi is neither visually nor phonetically similar to the word Pepsi. There was thus no question of infringement of the plaintiffs trade mark. The word PAPPi was being used by defendants since 1999 and till filing of the suit the plaintiffs did not consider the use as amounting to infringement. The delay on this account would disentitle the plaintiffs for interlocutory relief. The Globe Device did not give monopoly to plaintiffs nor was the plaintiffs entitled to any exclusivity in respect of colours. The defendants television commercial did not disclose any recognizable device and in any event it was similar to the circular device of the defendants, which are registered trade marks of the defendants company. Even if the defendants were to use the trade mark Pepsi or the Globe Device it would not amount to infringement of the plaintiffs trademark in light of the provisions of 1958 Act. Section 21(1) of the 1940 Act reproduced Section 4(1)(b) of the 1938 Act but with some changes. In Australia, Section 4(1) (b) was deliberately omitted. Reliance was placed on 123 A.L.R. 593 in Musidor B.V. v. Tansing. Justice Dean Committee in Australia observed as under:

"In view of these judicial strictures we should certainly not be prepared to adopt the British provision as drafted. However, we go further and consider that so novel and far-reaching a provision should not be enacted at all.

26. When changes were to be made to 1940 Act, Mr. Justice Rajagopala Ayyangar Committee recommended that the law should be as laid down in the Yeast-Vite case. In the opinion of Justice Ayyangar "only manner in which Section 21 has to be amended is by deleting Sub-clause (b), as its presence is calculated to cause confusion". Section 29 of the 1958 Act has accordingly omitted the provisions contained in Clause (b) of Section 21 of 1940 Act.

27. The net result of defendants' submission was that the law in respect of comparative advertising under the 1958 was exactly what it was in U.K. prior to 1938 Act i.e. the law laid down in Yeast-Vite case. The law laid down in Bismag is not the law that is applicable in India. The decision in Bismag came to be doubted by House of Lords in Aristae v. Rysta, reported in 62 (1945) RPC 65, wherein Lord MacMillan observed :

"I do not think that the widened language of the 1938 Act has inferentially altered the essential conception of a trade mark in law and in this I agree with the prefer the judgments in the Bismag case of my noble and learned friend then

Simonds, J..... and MacKinnon, L.J. whose reasoning I need not repeat.

A trade mark must still be registered in respect of goods, it must be used in relation to goods, it must indicate a connection in the course of trade between goods and the user of the trade mark."

28. Therefore, there was infringement only when the use of the mark by the alleged infringer was for the purpose of indicating the origin of the goods as being in him.

29. What is to be seen is whether the plaintiffs make out a prima facie case for grant of an interim injunction. Whether the conduct of the defendants injures the rights and goodwill and the business of the plaintiffs. Whether the plaintiffs have suffered irreparable injury and loss to entitle him to grant of an injunction:

30. In order to protect the legal and statutory right of a party, the Courts would grant appropriate relief in the facts and circumstances of each case. The plaintiffs state that a prima facie case is established on the facts and circumstances of the present case inasmuch as it is established that defendants have infringed the trade mark of the plaintiffs in the mark Pepsi and the Globe Device logo, copy right of the plaintiffs in the phrase YEH DIL MANGE MORE and the infringement of copyright in the Roller Coaster Commercial in terms of Section 14 of the Copyright Act. A copy can either be of the whole work or a substantial part of the work. The essential elements of the plaintiffs commercial in cinematograph film have been copied by the defendants in their television commercials and this act constitute infringement of copyright.

31. The parties addressed arguments at considerable length and voluminous record has been placed before this Court in the form of pleadings, written submissions and the citations even though the matter was listed for arguments on the question of grant of an injunction.

32. To appreciate the contention of the plaintiffs, the relevant provisions, which form the basis of the claim of the plaintiffs are extracted:

"Section 2(1)(v) "trade mark" means-

(i) in relation to Chapter X (other than Section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the as proprietor to use the mark; and

(ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade-between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII;"

"Section 2(2)(b) of 1958 Act

(2)(2) In this Act, unless the context otherwise requires, any reference -

(a)

(b) to the use of a mark in relation to goods shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever to such goods;"

"Section 28

28. Rights conferred by registration.--(1) Subject to the other provisions of this Act, the registration of a trade mark in part A or part B of the register shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under Sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of these persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

"Section 29

29. Infringement of trade marks.--(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user thereof using by way of permitted use, uses in the course of a trade mark which is identical with, or deceptively similar to, the trade mark, in relation to any goods 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) In an action for infringement of a trade mark registered in part B of the register an injunction or other relief shall not be granted to the plaintiff if the defendant establishes to the satisfaction of the Court that the use of the mark of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of trade between the goods in respect of which the trade mark is registered and some person having the right, either as registered proprietor or as registered user, to use the trade mark."

33. The relevant provisions of the Trade Mark Act of 1940, the Trade Mark Act of 1938 (U.K.) are extracted in order to appreciate the submissions of the parties:

"The Trade Marks Act, 1940

Section 2. (1) In this Act, unless there is anything repugnant in the subject or context -- Indian Trade Marks Act, 1940;

(f) "mark" includes a device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof;

(1) "'trade mark" means a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person;

Trade Mark Act, 1938 (U.K.)

Section 4. Right given by registration in part A, and infringement thereof -

(I) Subject to the provisions of this section, and of sections seven and eight of this Act, the registration (whether before or after the commencement of this Act) of a person in part A of the register as proprietor of a trade mark (other than a certification trade mark) in respect of any goods shall, if valid, give or be deemed to have given to that person the exclusive right, to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing words, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either -

(a) as being use as a trade mark; or

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.

Section 68. Interpretation

(1)

(2) References in this Act to the use of a mark shall be construed, as references to the use of a printed or other visual representation of the mark, and references therein to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods."

34. A new dimension is sought to be given to Section 29 of the Act by the plaintiffs. Section 29 has been considered by the Apex Court in its various decisions and also by the High Courts in relation to its scope with regard to

infringement of trade mark. The Supreme Court has laid down tests in its various decisions.

35. In *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* case (supra), the Supreme Court in para 29 observed as under:

When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (vide Section 21). A point has sometimes been raised as to whether the words "or cause confusion" introduce any element which is not already covered by the words "likely to deceive" and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words "likely to deceive". But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course, of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by comparison of the two marks- the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards, the persons who would be deceived are, of course, the purchasers of the goods and it is a likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trademark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff.

36. The tests laid down in *Re Pionotist Company Ltd.*, reported in 23 (1906) RPC 774 in determining deceptive similarity between words/marks in the context of registration have been approved and applied in cases of infringement by the Courts in India including the Supreme Court of India. The tests laid down are as follows:

You must take 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 in each of those trademarks is used in a normal way as a trademark of 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.

37. In *Ruston and Hornby Limited v. Zamindara Engineering Company*, (supra) at para 5, the Supreme Court observed that in an infringement action the issue was as follows:

"(i) Where the infringing trade mark is not identical with the complaining trade mark on the register, but something similar to it, the test of infringement is the same as in an action for passing off ?

(ii) In a passing off action the issue is: Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiffs goods ?

(iii) In an infringement action the issue is: Is the defendant using a mark which is the same as or which is colourable imitation of the plaintiff's registered trade mark?

(iv) The element of deception or confusion becomes irrelevant in the second issue (as the same is implicit, inherent or presumed to be present)."

38. The Supreme Court has accepted the principles as laid down in *Aristoc Ltd. v. Rysta Ltd.* (supra), that while considering the resemblance between the words it is necessary to apply both visual and phonetic tests as one was likely to be mistaken for the other.

39. The exposition of law as stated by Justice Lukmoore in the Court of appeal which he accepted as would be clear from the following paragraph :

The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of Section 12 of the Trade Marks Act, 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word and has perhaps an imperfect recollection of it who is likely to be deceived or confused. Little assistance, Therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution. The Court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants."

40. Let me now examine the law as laid, down by the Courts in United Kingdom

in light of the plaintiffs' contention that Section 4(1)(b) of the 1938 Act (U.K.) is to be read into the Indian Act of 1958.

41. In Irving's Yeastvite v. Hosenail the House of Lords held that the exclusive right of the proprietor to use a mark conferred by Section 39 of the Trade Marks Act, 1905 had to be construed in the light of the definition of a trade mark contained in Section 3 of that Act, being to indicate a commercial connection with the goods. Accordingly only traditional acts or piracy were covered, not comparative advertising. The 1938 Trade Marks Act in Section 4(1)(b) broadened the definition of trade mark infringement to include "importing a reference" to a registered mark. It was confirmed in Bismag, where the defendants produced a chart comparing products, that the new sub-section did indeed prevent the use of a registered trade mark in comparative advertising where such use obtained for the defendant a benefit from the reputation enjoyed by the plaintiffs' goods. This remained the case until the repeal of the 1938 Act. The difficulty of interpreting of Section 4(1) of the U.K. Act of 1938 has been commented upon by the Courts in England. In the Bismag case, the plaintiffs were the registered proprietors of the trade mark "Bisurated for medicinal stomachic powder for human use" and were selling "Bisurated Magnesia powder". The defendants who were also selling medicinal preparations issued advertisements comparing their "Bismuthated Magnesia Tablets" with the plaintiffs "Bisurated Magnesia Tablets" as regards the composition and price to show that the defendant's "Bismuthated Magnesia Tablets" were the equivalent of and cheaper than the plaintiff's goods sold under the trade mark "Bisurated". The trademark "Bisurated" was thus used only in relation to the actual goods of the plaintiffs, and the use complained of was in substance precisely the same as what was done by the defendant in the Yeast-Vite case. Simonds, J. (as he then was) held that the defendant's use of the trade mark "Bisurated" was in relation to the plaintiff's own goods and was not for the purpose of indicating origin of any goods in the defendant and was, Therefore, not an infringement u/s 4(1) of the U.K. Act of 1938.

42. On appeal it was held by the majority of the Court of Appeal (Greene, M.R. and Clauson, L.J. Mackinnon, L.J. dissenting) that the defendants' use of the mark although not directed to indicate the origin of the defendant's goods, was nevertheless such as to fall within the definition of infringement in Clause (b) of Section 4(1) of the above Act. Referring to the language of the section, Simonds, J. said that section is "couched in such difficult language that one may well hesitate to say that it has any very clear implication"; and, Lord Justice Mackinnon, who dissented, was even more scathing and referred to it as "a master-piece of obscurity", "the language of dark and tortuous prolixity" and said, "I doubt if the entire Statute book could be successfully searched for a sentence of equal length which is of more fuliginous obscurity". Lord Greene, M.R. said of the section: "It confers upon the proprietor a novel type of monopoly for which no consideration is given to the public" and described it as "a remarkable piece of legislation".

43. The decision of the Court of Appeal was taken up on further appeal and it was accepted by the Court of Appeal that if an action had been brought under the law as it stood before the amendment incorporated in Section 4(1) the action must have been failed on the authority of Yeast-Vite case but the House of Lords in a subsequent case of *Aristoc Ltd. v. Rysta Ltd.* expressed a definite preference for the dissenting view of Simonds, J. and Mackinnon, L.J. The law as to statutory infringement u/s 4(1) of the present U.K. Act of 1938 is thus left in an unsatisfactory position as the House of Lords have not in express terms overruled the Bismag case and there is some uncertainty as to the scope of that section.

44. The Statute law is now clear that in order to constitute infringement, the defendant's use of the trade mark complained of must be use as a trade mark, that is, to indicate the trade origin of goods in him. The registered proprietor cannot stop the use of the mark in every case, but only the use as a trade mark in relation to goods which are not his goods.

45. The Bismag case has been subsequently dealt with by the Chancery Division in a case reported in 1989 FSR at page No. 71 *Duracell International Inc. and Anr. v. Ever Ready Ltd.* wherein the interlocutory injunction was refused by distinguishing the Bismag case. The facts of the case are as follows:

"The parties were competitors in the manufacture and sale of batteries. The plaintiffs complained that the defendants by means of "knocking" advertising had infringed two of their trade marks and sought interlocutory relief to restrain such advertisements.

There were two trade marks in issue, both in part A of the register. The first mark consisted of the word DURACELL covering "...batteries.... for use in hearing aids, transistor radios and in photographic equipment". The other trade mark related to the get up of the plaintiff's batteries. This mark was described as follows: "The trademark consists of the colours black and copper applied to the whole surface of the side walls of electric batteries, as represented in the form of application".

Two slightly different advertisements were complained of. Each advertisement featured inter alia, (1) a monochrome photograph of a battery the top third of which was in a light colour and the bottom two thirds in a dark colour, and (2) the words; "In tests.... the gold seal LR20 battery outlasted the equivalent sold by Duracell Batteries Limited in every single appliance". Duracell Batteries Ltd. were the second plaintiffs and owners of the marks in issue.

The plaintiffs contended first that the use of the word DURACELL in the corporate name of Duracell Batteries Limited in the above sentence, represented an infringing use of the trade mark. They further contended that the monochrome photograph was intended to invoke in the readers' mind the plaintiff's batteries with their copper and black coloring and was thus an infringing use of the get-up mark."

46. Taking the advertisement as a whole the Chancery Division has come to the following conclusion:

"Held (1) taking the advertisements as a whole, it was clear that the public who saw the monochrome photograph were intended to suppose that they were looking at a photograph of a battery of the plaintiffs.

(2) The defendants' advertisement identified the plaintiffs' batteries by reference to the corporate name of the second plaintiff. This name contained the registered trade mark. The defendant was Therefore using the mark, together with the other words, in order to identify the plaintiffs' goods.

(3) On the question of infringement by use of the mark DURACELL there was clearly an issue to go to trial. Neither party had satisfied the Court that it had an unanswerable case.

Bismag v. Amblins (Chemists) Ltd. (1940) 57 R.P.C. 209 and Pompadour Laboratories Ltd. v. Frazer (1966) R.P.C. 7, considered.

(4) As to the get-up mark, unless there is a resemblance between an allegedly infringing mark and the registered mark, the question as to whether it is a resemblance so near as to cause confusion does not arise. A monochrome photograph did not bear a resemblance to the registered mark in a case where the registered mark consists of nothing but two colours with a design as simple as the get-up of the plaintiffs' batteries. It was impossible to tell from the photograph what colours were photographed. Accordingly, infringement of the get-up mark had not been established to the extent required to found any interlocutory relief.

(5) The words used in the description of goods for which the word mark was registered ("...batteries.... all for use in hearing aids etc...") meant that the batteries in question had to be suitable for use in one or other of those appliances.

(6) As a matter of discretion, interlocutory relief would be refused.

Observed: "My inclination is to recoil from the suggestion that use of a name as part of a corporate title can be infringement of a trade mark. But common sense is not a reliable guide in construing a section as difficult as Section 4(1)(b) of the Trade Marks Act, 1938 and moreover the common sense of one Judge is not always the same common sense as that which appeals to others."

47. Coming to the present case the following are the relevant points to mention here:

(a) That the defendants have not used the trade mark PAPPI and device on their products in the course of their trade nor in relation to any goods in respect of which the trade mark is registered.

(b) That the defendants have not sold their merchandise goods under the trade

mark of the plaintiffs.

(c) That the defendants have not advertised their products under the plaintiffs' trade mark.

(d) It is not disputed that comparative advertisements are permissible in law.

48. The expression "in relation to any goods in respect of which the trade mark is registered" in Section 29(1) makes it clear that there is no infringement of a mark unless the infringer uses the mark in relation to same goods covered by the registration.

49. It is fundamental principle of trade mark law that the function of a trade mark is to indicate the origin of the goods to which it is applied. The expression "in the course of trade" has a definite connotation. In order to constitute infringement, the use complained of must be a use in the course of trade. The defendants must be "dealing or selling of in some other way trading in the goods bearing the offending mark. Possession of such goods for the purpose of comparison will not amount to infringement. The right conferred by registration is a right to use the mark in the course of trade and obviously this right is infringed only when the infringer also uses the mark in the course of trade. The use "in the course of trade" means in the course of business. It did not mean use as a trademark. The purpose for which the mark was applied will not prevent it Constituting an infringement provided it was used in the course of trade and was capable of indicating a connection in the course of trade between the goods and the proprietor of the registered trade mark.

50. In view of the above it is clear that the language of Section 4(b) of the Trade Mark Act, 1938 (UK) is not embodied in Section 29 of the present Act which is applicable in India i.e. Trade and Merchandise Marks Act, 1958. Although Section 2(2)(a) and (b) has the similar language of Section 69(2) of the U.K. Act.

51. I am afraid that if the interpretation which is sought to be given is accepted, it will travel beyond the scope of the Section 29 and go contrary to the intention of the Legislature. In view of the aforesaid reasons, the decisions cited by the plaintiffs are not applicable in the facts of the present case.

52. I am unable to persuade myself to accept the submission that the defendants have infringed the trade mark of the plaintiffs.

53. The next question that arises for consideration is whether the defendants infringed the copyright of the plaintiffs in the work YEH DIL MANGE MORE (phrase and song) and the Globe Device.

54. In terms of provisions of Copyright Act, the grant of registration is prima facie evidence of the copyright and the ownership of plaintiff No. 3. The plaintiffs claim that the phrase YEH DIL MANGE MORE is original literary work and is protected as such under the Copyright Act and also as a trade mark. The said phrase has become distinctive with the plaintiffs. It is claimed that it is rare

combination of words adopted by the plaintiffs for promotion of their products in India. Large sums of money have been spent on the campaign of YEH DIL MANGE MORE for over two years. It is the exclusive work of the plaintiffs and also their trade mark. The registration of copyright is prima-facie evidence of copyright. The advertising campaigns including slogans are protectable under the law of copyright and the law of trade mark.

55. Reliance was placed on the judgment of Supreme Court in State of A.P. Vs. Nagoti Venkataramana, , wherein the Supreme Court has held that once the entries have been made by the operation of Section 48, the entries in the register of copyright shall be prima facie evidence of the copyright and the entries therein are conclusive without proof of the original copyright.

56. Reliance was also placed on a decision of Privy Council in MacMillan & Company v. K.J. Cooper (AIR) 1924 P C 1975 wherein the test of what is "original" is laid down. The relevant paragraph/finding is reproduced as under:

The word "original" does not mean that the work must be the expression of original or inventive thought. Copyright Acts are not concerned with the origin of ideas but with the expression of through; and in the case of "literary work" with the expression of through in print or writing. The originality which is required relates to the through; but the act does not require that the expression must be in an original or novel form, but that the work must not be copied from another work -- that it should originate from the author.

57. Further reliance was placed on the passage from McCarthy on Trade Marks and Unfair Competition, 3rd edition, to the effect that "However, the theme of an advertisement is Copyrightable if it embodies some definite concrete elements beyond a mere idea or concept".

58. The plaintiffs also placed reliance on NIMMER on Copyright Vol. 1, 1996 to the effect that "Thus it is arguable that the exclusivity of the copyright in the words as a literary work is not lost by merging the words with music in to a collective work compilation known as a musical work".

59. The plaintiffs claim to be owner of the copyright in the Globe Device. It is sufficient for the plaintiffs to show that the device belongs to the plaintiffs to entitle them to get injunction. The above Globe Device is claimed to be original artistic work under the Copyright Act, 1957. The use of the device or any other similar device would constitute infringement of copyright. The Globe Device is stated to have been developed internationally by the plaintiffs and at the prima-facie stage it is sufficient to show that the device belongs to the plaintiffs.

60. Reliance was also placed on a decision of this Court in Anglo-Dutch, Colour and Varnish Works Private Limited Vs. India Trading House,

61. To sum up the plaintiffs contended that it is entitled to copyright protection in respect of the Globe Device and the phrase YEH DIL MANGE MORE.

62. The defendants submitted that there was no presumption on the ownership of the Globe Device in favor of the plaintiffs merely because the work is a registered trade mark. The plaintiffs cannot claim any right to copyright in the circular device. The claim is vague and the plaintiffs are not entitled to any protection under the Copyright Act in respect of the Globe Device. They deny that the circular device used by the defendants is an identical or substantial imitation of the Globe Device of the plaintiffs.

63. The defendants further contended that mere advertising slogans are not literary work within the meaning of the Copyright Act and Therefore, enjoy no protection. Reliance was placed on *Sinanide v. La Maison Kosmeo* 139 L T 365; *Kirk v. J & R Fleming Limited* 1929 Ch.D. 44 and *Francis Dey & Hunter Limited v. Twentieth Century Fox Corporation Limited* 1940 AC 112.

64. Reliance was placed on para 2-10 of *Copyright on Copyright*, 13th Edition, page 23 to the effect that "On the grounds of triviality, that there is no copyright in the advertisement slogan "youthful appearances are social necessities, not luxuries", nor in the stringing together, for advertisement purposes, of a number of commonplace sentences".

65. Reliance was also placed on para 3.80 of *Narayanan on copyright*, page 42, to the effect that "Advertisement Slogans are not literary works". Reference was also made to *Iyengar on Copyright* page 94 to the effect that "In common place or trivial works there is no literary merit - even as understood in the Act". (Page 99) "mere advertising slogans are not literary works".

66. It was further contended that the Globe Device was not a registered trade mark in India. There could be no presumption of ownership in the Globe Device. The plaintiffs did not cite any case law to entitle them protection in the Globe Device. The advertising slogans were not literary work and were not the subject of copyright. It could only arise in very exceptional cases. The slogan was unintelligible and did not qualify as a literary work within the meaning of the Copyright Act.

67. In order to appreciate the case of the plaintiffs the following are the definitions of "artistic work" as well as "literary work" and meaning of copyright under the Copyright Act, 1957-

"Section 2(c): "artistic work" means-

(i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality;

(ii) a work of architecture; and

(iii) any other work of artistic craftsmanship;"

Section 2(o): "literary work" includes computer programmes, tables and compilations including computer (databases),"

68. On a mere reading of the definition of Section 2(o) of the literary work it is doubtful as to whether slogans are subject matter of work and are covered under the said definition. In Copinger & Skone James on Copyright 14th Edition, Volume One, para 21.20 and para 21.35 are reproduced below:

"21.20 No copyright in titles. The titles of books, newspapers, periodicals and other copyright works are not generally in themselves the subject of copyright. The reason is that there is usually no original literary work in the formation of several ordinary words into a title. The words or phrases chosen may be original in their application to the subject-matter of the work, and may require much skill and judgment to produce. However, that skill and judgment is generally employed in choosing and selecting from common words and phrases, and not in putting together words in an original form, or in affording to others information, instruction, or pleasure. Where as will usually be the case, the title forms part of a larger work or compilation, the copying of the title will rarely, if ever amount to the taking of a substantial part."

21.35. Although the task of devising advertising slogans often requires a high level of skill and judgment as with titles, they will usually not qualify for copyright protection as original literary works. However, the value of an advertising slogan lies in its roll in generating additional goodwill for a product or service and in acting as a badge or vehicle for that goodwill and, in appropriate circumstances, a slogan may be protected as part of that goodwill. Thus, passing off is not limited to names but is wide enough to encompass other descriptive material, such as slogans or visual images, which radio, television or newspaper advertising campaigns can lead the market to associate with a plaintiff's product, provided always that such descriptive material has become part of the goodwill of the product. The test is whether the product has derived from the advertising a distinctive character which the market recognises. In most cases, plaintiffs have failed to establish that their slogan is distinctive. It may be, of course, that the defendant's advertisement as a whole is deceptive."

69. It is settled law that where copyright is claimed in a literary work, the same must be established independently of any registration. Registration under the Copyright Act does not create any statutory right. It is only a recordal of an existing copyright. It has been held in *Camlin Pvt. Limited v. National Pencil Industries* 1985 (II) Delhi 813 that certificate/registration under the Copyright Act is only prima facie evidence of entries in the copyright register. It does not however establish that what is registered is in fact and in law copyrightable subject matter.

70. In view of the aforesaid it appears that the advertising slogans are prima-facie not protectable under the Copyright Act. They may be protected under the law of passing off in case the plaintiffs make out such a case.

71. However, it is admitted position that defendants have not used the phrase/slogan YEH DIL MANGE MORE in relation to their products, It is used in a

mocking manner only in the course of comparative advertising. This itself would not prima facie amount to infringement of copyright.

72. The plaintiffs designed a television commercial called the Roller Coaster Commercial. The commercial was commissioned by plaintiff No. 1 and was designed in Paris in June, 2000. The Indian Version of this commercial was launched in February, 2001. The defendants launched its Sprite Commercial on 21st March, 2001 and it is stated that it is a copy of the plaintiffs commercial. The defendants' use of all the elements of plaintiffs commercial for promoting their products constitute violation and infringement of the plaintiffs copyright.

73. The defendants submit that from the reading of Section 14 it is clear that the act of infringement of cinematograph film is committed only if the defendants making a copy of the film unlike in respect of other literary work where adaption or reproduction or the work amounts to infringement.

74. Learned Counsel placed reliance of Supreme Court R.G. Anand Vs. Delux Films and Others, As regards other features and picture of Roller Coaster are concerned, it appears that the defendants have taken the idea by comparing their advertisement with the plaintiffs' advertisement on television for comparison purposes. There is no copyright on ideas, In this regard see R.G. Anand v. Delux Films and Ors., (supra) relevant portion of which is reproduced hereinbelow:

"There can be no copyright in an idea, subject-matter, themes, plots or historical or legendary facts and violation of the copyright in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copyright work."

"Where the same idea is being developed in a different manner, it is manifest that the source being common, similarities are bound to occur. In such a case the Courts should determine whether or not the similarities are on fundamental or substantial aspects of the mode of expression adopted in the copyrighted work. If the defendant's work is nothing but a literal imitation of the copyrighted work with some variations here and there it would amount to violation of the copyright. In other words, in order to be actionable the copy must be a substantial and material one which at once leads to the conclusion that the defendant is guilty of an act of piracy.

One of the surest and the safest test to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.

Where the theme is the same but is presented and treated differently so that the subsequent work becomes a completely new work, no question of violation of copyright arises.

Where, however, apart from the similarities appearing in the two works there are also material and broad dissimilarities which negative the intention to copy the original and the coincidence appearing in the two works are clearly incidental no infringement of the copyright comes into existence."

75. The Court in the aforesaid decision held that one of the surest and the safest test to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.

76. Applying the principles, mentioned it is clear that the plaintiffs cannot claim the injunction against the defendants on these features for the purpose of comparative advertisement of their products.

77. The plaintiffs contend that the television commercials of the defendants disparage and denigrate the plaintiffs products. The plaintiffs contend that advertisement No. 1 is aimed at showing kids' preference changing from Pepsi to Thums up and Pepsi is described as Bachhon Wali drink and thumbs up is for grown ups. In advertisement No. 2 Pepsi is mouthed and the phrase YEH DIL MANGE MORE in a mocking and sarcastic way. The covered drink is described as a sweet drink called Bachhon Wala and the bottle when revealed Globe Device and mark PAPPI. In advertisement Nos. 3 and 4, the drink which resembles Pepsi and is referred to as PAPPI is termed as Bachhon Wali. Thums up is referred to Baron Ke Liye and Damdar Hai. All these commercials according to the plaintiffs disparage and denigrate the products of the plaintiffs and Therefore, plaintiffs are entitled to injunction.

78. From a viewing of these commercial it is evident that defendants are making a comparison with the plaintiffs Cola.

79. Disparagement is defined in the Webster's dictionary as an act of depreciating aspersing slighting or under valuing derogation;... An unjust classing or comparison with that which is of less worth; degradation. Oxford dictionary defines disparagement as "bring discreditation; speak slightly of, depreciate". Black's Law Dictionary defines disparagement of goods as "A statement about competitors goods which is untrue or misleading and is made to influence or tends to influence the public not to buy". Disparagement in The Chambers Dictionary means to dishonour by comparison with what is inferior; to talk slightly of, to belittle".

80. In Reckitt & Colman India Ltd. v. M.S. Ramachandran and Anr., reported in 1999 PTC 741, while dealing with disparagement, the Court laid down 5 principles to decide whether a party is entitled to an injunction. The main principles are:

(I) A tradesman is entitled to declare his goods to be best in the words, even though the declaration is untrue.

(II) He can also say that my goods are better than his competitors", even though such statement is untrue.

(III) For the purpose of saying that his goods are the best in the world or his goods are better than his competitors" he can even compare the advantages of his goods over the goods of others.

(IV) He, however, cannot while saying his goods are better than his competitors", say that his competitors" goods are bad. If he says so, he really slanders the goods of his competitors. In other words he defames his competitors and their goods, which is not permissible.

(V) If there is no defamation to the goods or to the manufacturer of such goods no action lies, but if there is such defamation an action lies and if an action lies for recovery of damages for defamation, then the Court is also competent to grant an order to injunction restraining repetition of such defamation."

81. The Court held, in the above case, that comparative advertisements were admissible. However, the advertisement should not be in such a manner as to disparage the goods of the competitor. Mere puffing of a goods without disparagement is not actionable. The advertisements must be viewed in light of the aforesaid tests.

82. In order to decide the question of disparagement the Court has to come to the conclusion as to how many customers so would be influenced by advertisement material into not purchasing a particular product instead of purchasing the rival product. Secondly, the prayer of damages is sought in respect of said comparative advertisement in the contest of the continuing marketing wall between two companies, one had to ask whether any substantial damages could properly be attributed to a particular comparative advertising and, if so, how this could be proved and damages assessed. It is well known law that merely puffing is not dishonest and mere "poking fun" at a competitor is a normal practice of comparative advertising and is acceptable in the market. The comparative advertising is a part of people's nature, everyone starts very young. They compare everything from their teams to their toys, and most everything in between. It is fun and can be informative. Some of the most effective advertising is comparative, but it is not without its risks.

83. Effective advertising delivers a message that it remembered. It can change the way the world views a product or service and can generate sales. If the market for a service or product is well-defined, comparative advertising can help the product or service distinguish itself from the competition. Nothing seems to do this more efficiently than comparative advertising.

84. In order to succeed in an action, the plaintiffs have to establish the following key elements:

(1) A false or misleading statement of fact about a product.

(2) That statement either deceived, or had the capacity to deceive, substantial segment of potential consumer, and

(3) The deception was material, in that it was likely to influence consumers' purchasing decisions.

85. To suggest that the drink is liked by children and to say that Pepsi is a sweet drink but not a strong drink, is hardly disparaging. To say that adults prefer Thums Up and Pepsi is a sweet drink and not a strong drink even though not true would not be disparagement. In the Roller Coaster Commercial the frame where it is stated "Be cool not a fool" also does not denigrate or disparage the goods of the plaintiffs. In the Pepsi commercial the boy spills the drink while telling the time to a pretty girl wherein the Sprite add the boy merely transfer the glass from one hand to other hand.

86. The advertisements are to be viewed in light of the law laid down in 1996 PTC 393 approving the judgment of the Calcutta High Court in 1999 PTC 741. In *White v. Mellin* 1895 A.C. 154 the Court while rejecting the contention of disparagement observed as under:

If on action will not lie because a man says that his goods are better than his neighbour's, it seems to me impossible to say that it will lie because he says that they are better in this or that or the other respect. Just consider what a door would be opened if this were permitted. That this sort of puffing advertisement is in use is notorious; and we see rival cures advertised for particular ailments. The Court would then be bound to inquire, in an action brought, whether this ointment or this pill better cured the disease which it was alleged to cure - whether a particular article of food was in this respect or that better than another. Indeed, the Courts of law would be turned into a machinery for advertising rival productions by obtaining a judicial determination which of the two was the better.

87. In the commercials in question both these elements are missing. The intention of the defendants are not to deceive the plaintiffs because no false representation is made. The defendants have compared the two drinks and explained to the consumers that one drink is strong and the other drink is sweet and the children like the sweet taste. In the end the choice is left with the consumers. Of course, an attempt is made to distinguish the taste of both the drinks but without deceiving and causing confusion. The attempt was to puff up its product only. Prima-facie no case is made out for disparagement and the defendants are not passing off their goods as those of the plaintiffs.

88. It is an undisputed fact that the plaintiffs have filed a suit for damages also. So far no evidence has been produced by either side regarding the similarity and dissimilarity of the comparative advertisement given by the defendants. There is no material on record to show that the advertisement given by the defendants harmed the business of the plaintiffs or the goods of the plaintiffs are bad or in any way the defendants have defamed the business of the plaintiffs. It is also a

matter of fact that the defendants are selling their products under their own brand name and they are not advertising objectionable features in the literature form.

89. The plaintiffs contended that a viewer can be confused into believing that the commercial of the defendants is for the product of the plaintiffs and not the defendants, and that by reason of conduct of the defendants, the viewer who expects to see the advertisement of the plaintiffs ends up by watching the advertisement of the defendants.

90. It is settled law that passing off is an action of deceit where the defendant attempts to pass off, his goods as those of the plaintiff's. In *Advocaat's* case Lord Diplock laid down the characteristics for a valid cause of action in passing off namely there must be a misrepresentation made in the course of trade to prospective customers of his or ultimate consumers of goods or services supplied by him which is calculated to injure the business or goodwill of another trader and which causes actual damage to the business or goodwill of the trader by whom the action is brought.

91. The question now is as to whether at this stage the interlocutory injunction should be granted or refused.

92. In a well known judgment reported in *American Cyanamid v. Ethicon Ltd.* (1975) (1) All E.R. 504, wherein the words of Lord Diplock are worth recalling:

"My Lords, when an application for an interlocutory injunction to restrain a defendant from doing acts alleged to be in violation of the plaintiff's legal right is made on contested fact, the decision whether or not to grant an interlocutory injunction has to be taken at a time when ex hypothesi the existence of the right or the violation of it, or both, is uncertain and will remain uncertain until final judgment is given in the action. It was to mitigate the risk of injustice until final judgment is given in the action. It was to mitigate the risk of injustice to the plaintiff during the period before the uncertainty could be resolved that the practice arose of granting him relief by way of interlocutory injunction; but since the middle of the 19th century this has been made subject to his undertaking to pay damages to the defendant for any loss sustained by reason of the injunction if it should be held at the trial that the plaintiff had not been entitled to restrain the defendant from doing what he was threatening to....."

"it is no part of the Court's function at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts on which the claims of either party may ultimately depend nor to decide difficult questions of law which call for detailed argument and mature consideration. These are matters to be dealt with at the trial. One of the reasons for the introduction of the practice of requiring an undertaking as to damages on the grant of an interlocutory injunction was that "it aided the Court in doing that which from its great object, viz. abstaining from expressing any opinion upon the merits of the case until the hearing" (*Wakefield v. Duke of...*).

" If damages is the measure recoverable at common law would be adequate remedy and the defendant would be in a financial position to pay them, no interlocutory injunction should normally be granted, however, strong the plaintiff's claim appeared to be at that stage...."

93. It is undisputed fact that the defendants are multi-national companies and they are having a huge business all over the world and they are capable of paying the damages in case the suit of the plaintiffs is decreed after leading the evidence of the parties.

94. The Delhi High Court in Franz Xaver Huemer Vs. New Yash Engineers, , while considering grant of temporary injunction in intellectual property matters and while dealing with prima facie case and balance of convenience observed as under:

"The need to establish prima facie has been emphasized in recent cases in England and in India. The Court has to consider whether there is prima facie proof of infringement (Lord Denning M.R. & Megaw LJ Hubbard v. Vosper (1972) 1 All ER 1023. Prima facie proof of validity is different from prima facie proof of infringement as stated by Sultan Singh, J. in National Research Development Corporation of India Vs. The Delhi Cloth and General Mills Co. Ltd. and Others, In that case, the learned Judge quoted Terrel on the law of Patents (12th Ed. para 830): (at p. 135 of AIR):

The plaintiff must first establish such facts as will satisfy the Court that there are strong prima facie reasons for acting on the supposition that the patent is valid. The most cogent evidence for this purpose is either that there has been a previous trial in which the patent has been held to be valid, or that the patentee has worked and enjoyed the patent for many years without dispute or may be that as between the parties the plaintiff is relieved from the onus of establishing validity, as where the defendant has admitted it or is so placed in his relationship to the plaintiff as to be estopped from denying it.

In Surendra Lal Mahendra Jain v. Galazers 1981 PTC 112 it was held that a prima facie case about the existence of the monopoly right and its infringement must be established. (See also Ram Narain Kher Vs. Ambassador Industries New Delhi and Another,

"Balance of convenience has also an important role to play. Stultification of defendants investment, loss of employment, public interest in the product (such a life saving drug), product quality coupled with price, or the defendant being smaller in size, may go against the plaintiff. Cases of a "Bridgehead (only a short period to go before expiry of planitiff's patent), parties being of equal size, may go in favor of plaintiff. Case of snowball (more future infringements) may not till the balance in favor of plaintiff. (See Halsbury's Laws of England, 4th Ed, Vol. 35, para 623). Again, even delay of a few months in some cases has led to refusal of injunction. In Minnesota Mining & Manufactory v. Johnson & Johnson 1971 FSR Supp (1) 623, the delay was seven months and injunction was refused.

95. In light of the aforesaid discussion, I am of the view that plaintiffs do not make out a prima facie case for grant of an interim injunction. The balance of convenience is also against grant of any interlocutory injunction.

96. It is a unique case of its own kind and the issues that arise there from are be decided on the basis of evidence of the parties. Having arrived at a prima facie opinion, it would be in the interest of justice requiring the defendants to give an undertaking to pay damages, if at the final stage and after detailed evidence and arguments and mature consideration of the facts, the plaintiffs succeed in the suit.

97. Having regard to the facts and circumstances of the case and in light of the foregoing discussion, I do not think it appropriate to grant temporary injunction in favor of the plaintiffs as sought for in the present application. The application is accordingly dismissed, subject to the condition that the defendants shall furnish an undertaking to pay damages to the plaintiffs within four weeks of the decision of the suit in favor of the plaintiffs and against the defendants. No order as to costs.

Any opinion expressed in this order will not in any manner affect the merits of the suit.

S. No. 635/2001:

98. List before an appropriate Bench on 3rd October, 2001, as per roster.