
(2001) 08 DEL CK 0103

In the Delhi High Court

Case No : IAs. 12520/99 and 3572 of 2000 in Suit No. 2732 of 1999

The Gillette Company and others

APPELLANT

Vs

A.K. Stationery and others

RESPONDENT

Date of Decision : 03-08-2001

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Section 151

Trade and Merchandise Marks Act, 1958 — Section 105, 27, 30(1), 33

Citation : (2001) 08 DEL CK 0103

Hon'ble Judges : A.K. Sikri, J

Bench : Single Bench

Advocate : Mr. R.K.P. Shankardass, Mr. Rajendra Kumar and Ms. Meghna Mishra, for the Appellant; Ms. Pratibha M. Singh and Mr. Ameet Nayak, for the Respondent

Final Decision : Allowed

Judgement

A.K. Sikri, J.—The plaintiff no.1 - Gillette Company incorporated in U.S.A. has filed this Suit for permanent injunction, rendition of accounts and damages u/s 27 and 105 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the Act, for short). The plaintiff no.2 - Luxor Writing Instruments Limited is an affiliate of plaintiff no.1 which is incorporated in India under the Indian laws. It is 50% owned by the plaintiff no.1 and has been licensed by the plaintiff no.1 to use its various trade marks. The dispute in the present Suit relates to trade mark "FLEXGRIP" which is used by the plaintiffs in connection with a wide range of writing instruments. By this Suit, the plaintiffs are seeking a decree of permanent injunction restraining the defendants from using the trade mark "FLEXGRIP" upon or in relation to their writing instruments or other articles of stationery in violation of the plaintiffs, common law rights in the trade mark FLEXGRIP. The defendant no.1 is only a retail outlet which is trading in various stationery items and the defendant no.3 is Sales Office of the defendant no.1. It is infact the defendant no.2 - Sanghvi Writing Industries Limited. Mumbai which is the manufacturer and seller of writing instruments and other articles of

stationery. This Company is manufacturing and selling the writing instruments including ball point pens, etc. under the trade mark EKCO.

2. The dispute however in the present case is that the plaintiff is the exclusive proprietor of trade mark "FLEXGRIP" and the defendants have no right to use the word "FLEXGRIP" in its writing instruments. It may be mentioned that the plaintiff is using for its product the trade mark "PAPER MATE FLEXGRIP" and the defendants are using the word "FLEXIGRIP" Along with the word "EKCO" on its products i.e. "EKCO FLEXGRIP".

3. Along with the Suit, the plaintiff also filed Ia. 12520/99 under Order XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure. While issuing summons to the defendants in the Suit, ex-parte injunction Order dated December 16, 1999 was granted restraining the defendants, their Directors, officers, partners, servants, agents, representatives and those acting in concert with them or otherwise, from using the plaintiff's trade mark "FLEXGRIP" on their products in any manner or marketing any product bearing plaintiff's trade mark "FLEXGRIP". The defendants have filed reply to these applications and have also filed IA. 3572/2000 for vacation of the ex-parte injunction Order dated 16th December, 1999. This is how both the applications are heard together and are disposed of by this Order.

4. In support of plaintiff's case, Mr.R.K.K.Shankardass, learned counsel appearing for the plaintiff made the following submissions:-

1. The plaintiff no.1 is world renowned Company which is having world wide operations and its product are marketed and sold in various countries. It has many leading international brands in most products, including GILLETTE, PARK AVENUE,,, ORAL-B, BRAUN, DURACELL. In respect of its stationery products business under the trade mark "FLEXGRIP" enjoys very important place. Since the year 1989, the plaintiff no.1 has been continuously using the trade mark "FLEXGRIP" in connection with its products. Application for registration of "FLEXGRIP" in Class 16 has been filed with the Registrar, Trade Mark, India on January 19, 1995 which is pending at the trade mark registry. It has however secured registration of this trade mark in various countries and in many countries the applications for registration are pending. The details in this respect are given in para 9(iv) of the plaint. It has acquired global reputation and public recognition and sales figures are in millions of US \$ every year. Advertising expenditure also runs in millions of US \$. The plaintiff's "FLEXGRIP" enjoys global reputation and good-will in India also for the reasons mentioned in para 9(viii). In view of this reputation, use of same trade mark "FLEXGRIP" by the defendants in respect of the same product is dishonest and constitute infringement of plaintiff's trade mark.

2. There would be a confusion in the minds of the public that the goods of the defendants with trade mark "FLEXGRIP" are that of the plaintiffs and the defendants are thereby trying to pass off its goods as that of the plaintiffs.

3. The plaintiffs have filed case of infringement of trade mark against the defendants in Germany on the same ground. The defendants in that case gave statement that the defendants would not use the trade mark "FLEXGRIP" in respect of these very goods and thereby accepting the exclusive right of the plaintiffs to use the trade mark "FLEXGRIP". In view of this stand of the defendants in a competent Court of law in Germany it was not permissible for the defendants to take contrary stand when the case is filed in India.

5. It may be mentioned at this stage that in an action brought by the plaintiffs against the defendants before the Original Court at Frankfurt (Case no.3/12 O 138/97), the defendants had sent the fax message dated 29th May, 1998 to the said Court, inter alia, stating as under:-

We have received the judgment passed by your honour dated 20.4.98, in our office on 27.4.98.

6. We, the defendant above named state as follows:

1. The defendant does not wish to defend the action in the above matter as they have not sold and do not intend to sell in future, in Germany, any products on which, ore relating to which, the terms 0, "Replay" and/or "Jotter" or "Jotter Refill" is used. The defendant gives its sole undertaking to this Hon"ble Court to that effect.

4. Referring to page 90 of the documents filed by the plaintiff which is the price list of the various products of the defendant no.2 namely, ball point pen and pencils, it was submitted that the defendant no.2 was using the word "FLEXGRIP" only in respect two of its products and in respect to all other products EKCO was being used. It further showed the prices in US \$. Therefore, the intention was to export these products or to sell/market these products overseas as well and not to confine the sale in India.

5. It was further submitted that balance of convenience was also in favor of the plaintiff inasmuch as if the injunction was granted in respect of these two products where the word "FLEXGRIP" was used by the defendants, the defendants business was not coming to stand-still as the defendants could still sell all other products with trade mark EKCO which were more than 20 in number. On the other hand, the reputation and goodwill of the plaintiffs was at stake by the defendants using the trade mark "FLEXGRIP". Learned counsel supported the aforesaid submissions and prayer to confirm the injunction Order by citing various judgments. Learned counsel heavily relied upon the article of Hon"ble Dr.Justice A.S.Anand, Chief Justice of India on "Intellectual Property Rights - The Indian Experience" - a paper presented in the Second Worldwide Common Law Judiciary Conference at Washington D.C.(U.S.A.) held between May 25 - 30, 1997 and published in the Journal Section of (1997) 6 SCC 16. Following portion of the said article was specifically highlighted in support:-

"Meanwhile, it would be comforting for the international community to know that

reputation of trade marks of overseas companies is begin recognised in India and there have been significant judicial precedents on the question of transborder or spill-over of international reputation, notwithstanding the fact that India is not a signatory to the Paris Convention and the patents law has not so far been amended in India after signing of GATT.

In November 1993 the Delhi High Court restrained two local companies by separate orders of interim injunction from using BENZ and MERCEDES respectively.

The restraint order in respect of BENZ involved a company in India engaged in sale of undergarments under trade mark VIP-BENZ in combination with a three-pointed human figure in a ring - characteristic of the three-pointed star device of Daimler Benz AG - with the legend "Germans would be proud of it". While upholding the plaintiff's claim for interim injunction, the High Court made the following observations:

"I think it will be a great perversion of the law relating to trade marks and designs, if a mark of the order of the "MERCEDES BENZ", its symbol, a three pointed star, is humbled by indiscriminate colourable imitation by all or anyone; whether they are persons, who make undergarments like the defendant, or anyone else. Such a mark is not up for grabs - not available to any person to apply upon anything or goods. That name which, is well known in India and worldwide, with respect to cars, as is its symbol a three-pointed star."

Yet another observation in this case was:

"In my view, the trade mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods, especially so when the reputation extends worldwide. By no stretch of imagination can it be said that use for any length of time of the name "BENZ" should not be objected to."

(Daimler Benz vs. Hybo Hindustan)

The Supreme Court upheld that order. A restraint order was also passed in respect of use of MERCEDES o casseroles following the above judgment.

The principles enunciated in the above decisions were followed in another judgment by the Delhi High Court in October 1994 in the Whirlpool case. This was a passing off action instituted by Whirlpool Corpn. against an Indian company, seeking grant of an ad interim injunction preventing the defendant from passing off its goods as those of the plaintiffs by use of trade mark "WHIRLPOOL". One of the question before the Court was whether the plaintiff-who was not selling in India - could claim the benefit of transborder reputation in trade mark "WHIRLPOOL" so as to maintain a passing off action in India or should its goodwill and reputation be confined to territories in which it has proved actual use of the trade mark in the market. The documents filed in the proceedings proved that some limited sales had been made to US Embassy and

USAID in India and that the "WHIRLPOOL" products had been advertised in magazines having international circulation including in India. The court held that the plaintiff could bank upon transborder reputation of its washing machines for the purpose of maintaining passing off action in India. The Supreme Court upheld that decision.

It would, thus be seen, that even where neither "the process" nor the "product" is directly in issue Indian courts have gone beyond the cold print of the statute and granted relief to protect world-wide reputation which a trade mark has acquired, even where the trade mark as such has not been registered in India.

The rapidly growing international trade makes it imperative that intellectual property rights are properly recognized and managed in different countries of the globe. National protection is no longer adequate to safeguard intellectual property rights which can easily be pirated or copied by nationals of other countries and exploited in their own market or even in international markets. International remedies for such infringement are necessary. The earlier conventions which are administered by the World Intellectual Property Organisation and the provisions of the TRIPS Agreement are a step towards such international protection of intellectual property rights. Suitable laws which will protect such rights internationally and give adequate monetary compensation to the owner without creating any undue monopoly in the property can and are being formulated as standards for laws to be enacted by the different countries of the world. These standards reflect the experience of various countries of the world in protecting and enforcing such rights, while taking care of public interest in the availability of new ideas and technologies".

7. It was further submitted that the above article was cited in *Caesar Part Hotels and Resorts Inc. versus Westinn Hospitality Services Ltd.* 1999 19 PTC 123 (Mad) . Following extract was quoted:-

"Thus, it is manifestly clear that the plaintiff in order to get the relief of interim injunction restraining the defendant from using its service mark need not establish that they actually carry on business in this country. It is enough if they have got customers here."

8. In the case of *N.R. Dongre versus Whirlpool Corporation* 1996 (16) PTC 476 Delhi the Court observed that:-

".... The court frowns upon any attempt by one trader to appropriate the mark of another trader although that trader is a foreign trader and the mark has only been used by him in a foreign country."

9. In *N.R. Dongre versus Whirlpool Corporation* 1996 (16) PTC 583 the Supreme Court held:-

"Injunction is a relief in equity and is based on equitable principles. On the above concurrent findings, the weight of equity at this stage is in favor of the plaintiffs and against the defendants. It has also to be borne in mind that a mark in the

form of a word which is not a derivative of the product, points to the source of the product. The mark/name "WHIRLPOOL" is associated for long, much prior to the defendants' application in 1986 with the Whirlpool Corporation plaintiff no.1. In view of the prior user of the mark by plaintiff no.1 and its transborder reputation extending to India, the trade mark of "WHIRLPOOL" gives an indication of the origin of the goods as emanating from or relating to the Whirlpool Corporation plaintiff no.1. The High court has recorded its satisfaction that use of the "WHIRLPOOL" mark by the defendants indicates prima facie an intention to pass off defendants' washing machines as those of the plaintiffs' or at least the likelihood of the buyers being confused or misled into that belief. The fact that the cost of defendants' washing machine is 1/3rd of the cost of plaintiffs' washing machine as stated by Sh.Sibal, itself supports the plaintiffs' plea that the defendants' washing machines are not of the same engineering standard and are inferior in quality to the washing machines of the plaintiffs'. In addition, it has been rightly held that the grant of interlocutory injunction would cause no significant injury to the defendants who can sell their washing machines merely by removing the small metallic strip bearing the offensive trade mark/name which includes "WHIRLPOOL". On the other hand, refusal of the interlocutory injunction would cause irreparable injury to the plaintiffs' reputation and goodwill since the trade mark/name "WHIRLPOOL" is associated for with the plaintiff no.1 Whirlpool Corporation. These factors which have been relief on for grant of the interlocutory injunction by the trial court indicate that the exercise of discretion was in accordance with the settled principles of law relating to the grant of interlocutory injunctions in a passing off action. The affirmance of the trial court's order by the Division Bench on an appeal reinforces the trial court's view."

10. In another case entitled Allergan Inc. versus Milment of the Industries and others 1999 (19) TC 160 Cal. the Court cited from the case of N.R. Dongre (supra) as follows:-

"The knowledge and awareness of a trade mark in respect of the goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge and awareness of the same reaches even the shores of those countries where the goods have not been. When a product is launched and hits the market in one country, the cognizance of the same is also taken by the people in other countries almost at the same time by getting acquainted with it through advertisements in newspapers, magazines, television, video films, cinemas etc. even though there may not be availability of the product in those countries because of import restrictions or other factors. In today's world it cannot be said that a product and the trade mark under which it is sold abroad, does not have a reputation or goodwill in countries where it is not available. The knowledge and awareness of it and its critical evaluation and appraisal travels beyond the confines of the geographical area in which it is sold. This has been made possible by development of communication systems, which transmit and disseminate the information as soon as it is sent from one place to

another. Satellite Television is a major contributor of the information explosion. Dissemination of knowledge of a trade mark in respect of a product through advertisement in media amounts to use of the trade mark whether or not the advertisement is coupled with the actual existence of the product in the market."

11. In the above case, the Calcutta High Court also cited a similar view taken by the Division Bench in the case of J.N. Nichols (Vimto) Ltd. versus Rose and Thistle reported in 1994 PTC 83:-

"Thus, a product and its trade mark transcends the physical boundaries of a geographical region and acquires a transborder or overseas or extra territorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trader and its trade mark can be available at a place where goods are not being marketed and consequently not being used. The manner in which or the source from which the knowledge has been acquired is immaterial The Courts do not approve of any attempt by one trader to appropriate the mark of another trader, even though that trader may be a foreign trader and mostly uses his mark in respect of the goods available abroad i.e. outside the country where the appropriation of the trade mark has taken place. As mentioned earlier, awareness country may be because of small trickle of goods in that country or through advertisement. The manner and method by which the knowledge of the mark is acquired by the public is of no consequence and will not matter."

Thirdly, the matter will have to be looked at from the point of view of the purchasing public. If it is possible for a purchaser of the respondent's product in India to do so under the impression that he is buying the appellant's product the respondents as the subsequent adopter of the mark must be restrained from doing so.

12. In Central Industrial Alliance Ltd. versus Gillette U.K. Ltd. reported in 1998 (18) TC Bom. the Court observed as follows:-

"In addition, it has to be remembered that in respect of a consumer article such as a safety razor blade publicity does not take place merely by advertisements in India. Such items are advertised in foreign newspapers and magazines and these newspapers and magazines are circulated in India and are freely imported and presumably read. Apart from this, judicial notice may be taken of a large number of Indians who go out temporarily to other countries, mainly to the Middle-East countries, and who, Therefore, had the opportunity to use, the plaintiff's blades. These persons do not permanently settle down abroad and return to India after their two year or three year stay."

13. In the case of Indian Shaving Products Ltd. and another versus Gift Pact and another reported in 1998 (18) PTC 698 this Court observed as under:-

"The world with the passage of time has become almost just like a city on account of the technical advancements in technology such as wirelss, telephone,

television, cinema, and computers so on and so forth, made by the people inhabiting this terra firma. Similar advancements have been made in the means of transport such as railways, ships, airlines. These days if a product is launched in a particular country the goodwill and reputation, which a seller earns by selling his commodities in the market do not remain confined to the four corners of the said country. The reputation and goodwill and intrinsic worth of the said goods spread like a wild fire to every nook and corner of the world through magazines and newspapers, television, telephone, computers, films and cinema.

Relying on these judgment it was submitted that ex-parte order should be made absolute. The learned counsel trying to magnify the otherwise trivial issue.

Refuting the aforesaid submissions of the plaintiff, Ms. Pratibha M. Singh, learned counsel appearing on behalf of the defendants submitted that the plaintiff would not be entitled to any injunction and that the ex-parte injunction Order dated 16th December, 1999 obtained by the plaintiff was liable to be vacated. She paraphrased her submissions in the following manner:-

1. There was material concealment of fact by the plaintiff while obtaining the ex-parte injunction. It was submitted that the defendant had adopted the mark FLEXGRIP in 1993 and was using the same since then in association with his mark EKCO. Therefore, it was a case of PAPER MATE FLEXGRIP versus EKCO FLEXGRIP and not FLEXGRIP alone as projected by the plaintiff. It was further submitted that the defendant had given an undertaking before the German Court in a case filed by the plaintiff against the defendant, that it has never sold pens under the mark FLEXGRIP in Germany. This shows that the plaintiff was well aware since then that the defendant has been using the mark FLEXGRIP but has concealed this fact before this Court. In support of the submission that there is material misrepresentation and concealment of material facts, learned counsel quoted the following averment from the plaint:

Para-21. "The cause of action first arose at New Delhi in favor of the plaintiffs in the last week of July, 1999, when they first learnt about the impugned use by the defendants of the trade mark FLEXGRIP in India."

2. Another submission advanced by the learned counsel was that the case of trans-border reputation as attempted to be portrayed by the plaintiff was misconceived. Her submission was that no evidence has been filed at the prima facie stage to show any transborder reputation before this Hon'ble Court. It was contended the except for two affidavits and printouts from the website of the plaintiff no other evidence is placed on record and these cannot be considered for deciding the issue on transborder reputation because the website printouts were admittedly taken a month prior to filing of the suit. These printouts refer to the mark FLEXGRIP as PAPER MATE FLEXGRIP ULTRA, PAPER MATE, ETC. The printouts of pages 8-12 are dated 28th July, 1999 and 23rd August, 1999 and the Suit has been filed in December 1999. The affidavits refer to PAPER MATE rather than FLEXGRIP. Reliance was placed upon the case of The Proctor and Gamble

Company versus Satish Patel reported in 1996 PTC 646 to contend that such material would not be sufficient to establish cross border reputation. In this case the plaintiff was a well known multinational and sought to restrain the defendant from using the mark SAFEGUARD which was admittedly registered by the plaintiff in more than 90 countries and had been advertised in well-known magazines like The Time, News Week, Regards Digest. Despite this the Court held that the defendant had been using the marks since 1983 and the same was descriptive. In M/s. Smithkline Beecham Plc. and others versus M/s. Hindustan Lever Limited and other reported in 1999 PTC 775 the plaintiff did not place on record any evidence of any use, reputation or goodwill in the "S" bend feature of the plaintiff's tooth brush FLEX even internationally prior to Launch in India i.e. in June, 1996. The Court while observing that not a single advertisement was published in India or invoice prior to 1996 to show and indicate subsistence of any goodwill in this country held that:-

"In the absence of any evidence of goodwill or any reputation, it cannot be presumed that the plaintiffs achieved a trans-border reputation prior to the filing of the suit in respect of their tooth brush, no injunction in could be granted in favor of the plaintiff even in respect of GZETTE manufactured and marketed by the defendants vis-a-vis ACQUAFRESH FLEX. In the case of Whirlpool reported in 1996 PTC 415 there was voluminous evidence produced which were circulated in India for several years and the goods were sold to Embassies and in the content of such evidence this court held that the said product achieved trans-border reputation. No such evidence has been placed in the present case at least prior to 1996 and even whatever evidence has been placed on record after 1996 the same does not establish that the plaintiffs achieved a trans-border reputation. In order to prove trans-border goodwill and reputation the plaintiffs have relied upon materials published in the dental journal which admittedly has very restrict circulation. Mere publication of such advertisement and materials in dental journal cannot and would not establish a trans-border reputation. Such reputation, if any, was confined to a particular class of people i.e. the persons subscribing to the said special lead journals and cannot e said to be extended to the general consumers. It could not be shows that any advertisement was made by the plaintiffs prior to 1996 in any journal or magazine having wide circulation. In absence of same it is not possible to hold that the tooth brush of the plaintiff acquired any trans-border reputation and goodwill ...".

3. It was further submitted that the entire case of the plaintiff was in the realm of passing off and not infringement of trade mark inasmuch as there was no trade mark registered in favor of the plaintiff. In the case of passing off action what was required to be seen as to whether there will be confusion and deception in eyes of the consumer. In the defendant's submission any confusion is obviated by the fact that the defendant has been continuously using the mark since 1993 coupled with the fact that the consumer is well aware of the product EKCO FLEXGRIP and cannot confuse with the plaintiff's LUXOR PAPERMATE FLEXGRIP. The Suit is barred by delay, laches and acquiescence. In the case of

Shri Gopal Engg. and Chemical Works Vs. M/s. POMX Laboratory, there was unexplained delay of 14 months in filing of the suit. This Court held that delay coupled with the concurrent use by the defendant till the alliance in favor of the defendant. In Peshawar Soap and Chemicals Ltd. versus Godrej Soap Ltd. reported in 2001 PTC 21 (Del.) the plaintiff was registered proprietor of the mark "Kesh Nikhar" since 1963. The defendant adopted the mark "Godresj Nikhar". The plaintiffs obtained an ex-parte injunction against the defendants use of the work "Kesh Nikhar" for its soaps. The Court noted that "Kesh Nikhar" is a combination of a descriptive word and held that "... Acquiescence or laches or failure to object would disentitle a challenge to a similar mark since the rival could have built-up a reputation and clientele and that then application of balance of convenience ought not to be upset. Acquiescence would also lend legal legitimacy to exclusive user of a descriptive word, which if contemporaneously challenged would call for cancellation."

4. On the point of descriptive trade mark, learned counsel placed reliance upon the case of J.R.Kapoor versus Micronix India reported in 1994 PTC 260 (SC) wherein the competing trade marks were "microtal" and "micronix". Supreme Court held that the word "Micro is descriptive of microchip technology which is used in computers. Hence, there can be no monopoly on "miere". The suffixes "tel" and "nix" are sufficient to distinguish the two products. The get up of the products were also different. In this case, the Supreme Court rejected injunction. Learned counsel admitted that relying on this principle, the competing marks LUXOR PAPERMATE FLEXGRIP and EKCO FLEXGRIP are clearly distinguishable trade marks. In the case of M/s. Johnson and Johnson and another versus Christine Hoden India (P) Ltd. reported in AIR 1988 249 Delhi , the plaintiffs were selling sanitary napkins under the mark "STAYFREE" and the defendant used the said mark on their packaging for the same products. Division Bench of this Court held that the packaging of the two companies are different. There can be no "passing-off" between the two products. The said mark being descriptive in nature, the Court refused injunction. In Lumley Life Ltd. and another versus IOOF of Victoria Friendly Society reported in (16) IPR 316. It was also submitted that the mark FLEXGRIP is a completely descriptive trade mark inasmuch as a large number of writing instruments which are sold in the market use word like GRIP in relation to pens and other writing instruments, e.g. Montes High Grip, Cello Gripper, etc. Hence, no monopoly can be claimed in a descriptive mark.

5. Learned counsel for, the defendant also attempted to take the aid of Section 33 of the Act by contending that the defendants use of FLEXGRIP is prior to the use of the plaintiff's trade mark FLEXGRIP in India. It was submitted that in the application dated 19th January, 1995 filed by the plaintiff for registration of this trade mark, the plaintiff has itself stated "proposed to be used" which shows that till 1995, that is the date of application, this trade mark has not been used by the plaintiff's in India. On the other hand, the defendant had produced documentary evidence (invoices filed at pages 5-116 of the defendants documents) to show that defendants had been using FLEXGRIP since 1993.

6. Explaining the circumstances in which decree was passed by the German Court it was submitted that the undertaking given by the defendant before the Court in Germany was that the defendant has never sold and does not intend to sell any product under the mark FLEXGRIP. This happened in 1997 and admittedly the plaintiff was then well ware that the defendant was continuously using the mark FLEXGRIP in India. However, it chose to take no action against the defendant till 1999. In 1999 the plaintiff entered into a business arrangement with Luxor Writing Instruments in India and it was only then that it decided to market their FLEXGRIP pens in India. At that point of time the plaintiff, in a completely malafide attempt filed an instant suit and sought an ex-parte injunction. The plaintiff has, Therefore, expressly and impliedly consented to the use of the mark FLEXGRIP by the defendant at least in so far as india is concerned. This conduct of the plaintiff disentitles the plaintiff to any injunction. The use by the defendant is protected u/s 30(1)(b).

Before dealing with the aforesaid submission of either parties, it would be appropriate to highlight the material facts. After all, relevancy of the various judgments cited by both the parties will have to be examined in the context of these material facts. The plaintiff, in respect of its product, is using the trade mark "LUXOR PAPER MATE FLEXGRIP". On the other hand, the defendant no.2 is using the trade mark "EKCO FLEX GRIP" in respect of two of its stationery products and in respect of its all other products, only the word "EKCO" is used. The plaintiff is challenging the use of the word "FLEXGRIP" by the defendant on the ground that it is an invented word of the plaintiffs which has acquired trans-border reputation and good-will. The trade mark of the plaintiffs has been registered in various countries., However, application for its registration in India is still pending and has not been registered in the name of the plaintiffs in India so far. Therefore it was an admitted case of the parties that the subject matter comes in the realm of passing off and it cannot be said said there is an infringement of the plaintiffs trade mark. Therefore, the real question to be answered is as to whether there would be confusion and deception in the mind of the consumes. It seems difficult to agree with the submission of the plaintiffs on this count inasmuch as the defendants are using the trade mark "EKCO FLEXGRIP" where at the plaintiffs are using the trade mark "LUXOR PAPER MATE FLEXGRIP". Therefore, it is not a case where the trade mark of the plaintiffs or the defendants consist of only one word, namely, "FLEXGRIP". In that eventuality position would have been different as it would have been a case of FLEX GRIP versus FLEXGRIP. However, when complete trade mark adopted by the two parties is compared in totality confusion seems to be unlikely. While taking this opinion one is also influenced by the fact that the word "FLEXGRIP" is descriptive in nature because of the use of the word descriptive in nature because of the use of the word GRIP that too used in relation to pens and other writing instruments. Nodoubt the fusion of two words namely, FLEX and GRIP and joining them together may become a distinctive word when this aspect is to be considered in isolation. However, looking into this aspect along with other

relevant factors as mentioned above, it does not appear to be a case of creating confusions in the minds of the public. Here it would also be relevant to mention that the defendant no.2 is laos an established Company which has made strides in this particular trade, namely that of manufacturing and marketing pens and other writing instruments. It has been in the business for last number of years. Its products are many. It markets its products not only in India but in other counties as well. The defendant no.2 started manufacturing and marketing the alleged infringed products i.e. the writing instruments with the trade mark "EKCO FLEXGRIP" since 1993. By that time, the plaintiffs had not started marketing its products in India. Even the application for registration which is filed by the plaintiffs in India in 1995, it mentions that the mark is "proposed to be used". Thus, even in 1995 the plaintiffs had not started marketing its products in India. Therefore, the defendant can claim to be the prior use of the trade mark in India and prima facie gets protected by Section 33 of the Trade and Merchandise Marks Act, 1958. There is yet another aspect which assumes significance when are dealing with the application for interim injunction. The plaintiffs had filed a case against the defendant no.2 in German Court in the year 1997. Thus, it came to know in the year 1997 that the defendant no.2 was using the mark "FLEXGRIP" in respect of its two products. Although action was filed in German Court, no steps were taken to file a case against the defendants in India at that time. This in inspire of the fact that the plaintiffs had already field application dated 19th January, 1995 for registration of its trade mark in India. Interestingly, in para 21 of the plaint, the plaintiff has alleged that they came to know about the use of the trade mark FLEXGRIP in India by the defendants in the last week of July 1999 only. This is clearly a false statement in view of the fact that the plaintiffs had filed a case in the German Court way back in the year 1997.

The aforesaid factor and consideration is a relevant one, is recognised by the Hon"ble Supreme Court in Wander Ltd. and Another Vs. Antox India P. Ltd., The Supreme Court observed:-

"Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trail on evidence. The Court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated.

:....is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action it the uncertainty were resolved in his favor at the trail. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weight one need against another and determine

where the "balance of convenience" lies."

The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprises or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted."

As regards the delay in institution of the suit and its effect for the purpose of grant of ex parte restraint, the settled legal position is that while the delay in institution of a suit for an action for passing off may not be fatal, it is one of the important and relevant considerations before granting an ex parte/interlocutory injunction. Reference in this regard is invited to the "THE LAW OF PASSING-OFF" by Christopher Wadlow. Learned Author while dealing with the motions of interlocutory relevance has observed as under:-

"Delay in applying for interlocutory relief is a very serious matter. As a rule of thumb, delay of up to about a month or perhaps six weeks, generally has no adverse effect on an inter parties application and delay of up to twice that period need not be fatal if it can be explained and the plaintiff's case is otherwise strong. On the ex parte application even delay of a few days can be critical. Unjustified delay of more than a few plaintiff's counsel, even though delay of this order has no effect on the plaintiff's rights at trial. Unlike many of the issues which can boundaries on motion, the existence of delay does not normally admit or much argument. Delay , if present, is Therefore a short, safe and simple basis for refusing relief. This means that applications for interlocutory injunctions in which there is significant delay are unlikely even to get as far as a hearing, and those that do are quite likely to be refused without going into the merits or the balance of convenience."

No doubt the Courts in India have protected the trans border or spill over international reputation of trade marks of overseas companies in various cases and would continue to do so. It also does not require any emphasis that rapidly grown international trade makes it imperative that intellectual property rights are properly recognised and managed in different countries of the globe. The Court frowns upon any attempt by one proprietor to appropriate the mark of another proprietor although that proprietor is a foreign proprietor and the mark has only been used by him in a foreign country. However, these principles are to be applied keeping in view the salient aspects of each case. When we are examining the case of interim injunction, the well recognised principles for grant or refusing to grant such injunction at this stage would have to be borne in mind. Keeping in mind the salient aspects of this case namely:

1. The present is a case falling in the realm of passing off and not infringement of

trade mark.

2. The trade names of the products of the parties to be compared are "LUXOR PAPER MATE FLEXGRIP" versus "EKCO FLEX GRIP" and not FLEXGRIP alone.

3. The word "FLEX" and "GRIP" are descriptive words.

4. It was unlikely that consumers would be confused when the two marks "EKCO FLEXGRIP" and "LUXOR PAPER MATE FLEXGRIP" are compared.

5. Particularly when the defendant no.2 is also an established Company using the trade mark EKCO in respect of its products and in view of the good-will it enjoys that word EKCO used along with FLEX GRIP would be sufficient to distinguish its product from that of the plaintiff.

6. The defendant no.2 is using the trade name EKCO FLEXGRIP in respect of two of its products only out of more than 20 products marketed by its. This use in respect of these two products is in India since 1993.

7. The plaintiffs have moved this Court much belatedly. Even after coming to know of the fact that the defendant no.2 was marketing the products with the aforesaid trade mark way back in 1997. Although it filed the case in German Court but did not take any steps in Courts in India presumably because of the reason that it had, at that time, no intention to market its products in India and was not bothered for the use the trade mark "EKCO FLEXGRIP" by the defendant no.2 in India.

I also agree with the submissions of learned counsel for the defendant no.2 that the plaintiffs have not produced sufficient material on record to claim trans-border reputation in respect of the product in questions and the observations of this Court in the cases of The Proctor and Gamble Company (supra) and M/s. Smithkline Beecham (supra) come handy for the defendant no.2 Various judgments cited by the plaintiffs are, Therefore, distinguishable and are not applicable to the facts of the present case and on the other hand reliance placed by learned counsel for the defendant no.2 on various judgments seems to be appropriate. It is not necessary to refer to these judgments once again as these judgments are referred to above and observations quoted extensively while noticing the contentions of the parties. However, one cannot resist mentioning the judgments of Federal Court of Australia in the case of Lumley Life Ltd. (supra) which comes close to the facts of this case. In that case, Lumley Life Ltd. had marketed a large number of investment products ones marked under the name of LUMLEY FLEXI BOND". The respondent Friendly Society, launched a product known as IOOF FLEXI BOND". The Lumley brought action against the respondent for using the name FLEXI BOND alleging that it was used by the respondent with intention to mislead or deceive the public. Its action was however, dismissed by the Court mentioning various reasons, one of which was that the words "FLEXI" and "BOND" were descriptive words and their combination does not change their descriptive character.

I am also convinced that the Explanation given by the defendant no.2 in so far as action brought by the plaintiffs in German Court is concerned. The undertaking given by the defendant no.2 in German Court was that the defendant had never sold the products in Germany and there was no intention to sell the product in Germany. The defendant no.2 had Therefore, specifically made its intention clear by not selling the product with the mark "FLEXGRIP" in Germany. There was no omnibus statement to the effect that it would not sell product at all in any part of the world including India. On the contrary, the plaintiffs knew that the defendant no.2 was marketing its product with the mark "FLEXGRIP" in India. Therefore such a statement given by the defendant no.2 in German Court to avoid high cost of litigation when the injunction was not harming the defendant no.2 Germany, as it has not intention to sell its product in Germany, would not be of help to the plaintiff while reexamining the present case filed in India.

Considering all these facts and circumstances of the case and also keeping in mind the principles governing the grant of temporary injunction, I am of the considered opinion that the plaintiff has not been able to make out a case for ad interim injunction. IA.12520/99 filed by the plaintiff is accordingly dismissed. IA. 3572/2000 filed by the defendant no.2 is allowed and the Interim Order dated 16th December, 1999 is hereby vacated.

However, the defendant no.2 is required to maintain separate account in respect of manufacture and marketing of its two products under the trade mark "EKCO FLEXGRIP" so that it is able to file the same in the Court as and when required.

Needless to mention, the entire matter is examined on the touch stone of Order XXXIX Rule 1 and 2 dealing with the application for ad-interim injunction and Therefore views expressed above are tentative and prima facie conclusions which shall not be treated as any final expression on the merits of the case.