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**(2014) 10 DEL CK 0262**

**In the Delhi High Court**

**Case No :** I.A. Nos. 8971, 11342 and 12459/2013 in CS(OS) No. 1043/2013

World Book Inc. and Others

APPELLANT

Vs

World Book Company (P) Ltd.

RESPONDENT

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**Date of Decision :** 15-10-2014

**Acts Referred:**

Civil Procedure Code, 1908 (CPC) — Order 3 Rule 4, Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4

Trade Marks Act, 1999 — Section 17, 2(m), 27, 28, 29

**Citation :** (2014) 10 DEL CK 0262

**Hon'ble Judges :** Manmohan Singh, J

**Bench :** Single Bench

**Advocate :** Amarjit Singh, Manik Dogra, Anshuman Sharma, Neel Kamal, Vernica Tomar and Sadhvi, Advocates for the Appellant; Tapan Chaudhary, Advocates for the Respondent

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**Judgement**

Manmohan Singh, J.—The present suit has been filed by the plaintiffs for permanent injunction, damages for infringement of trade mark WORLD BOOK, passing off, dilution, unfair competition, delivery up, and rendition of account or damages against the defendant. Along with the suit, plaintiff also filed an application under Order 39 Rule 1 and 2 being I.A. No. 8971/2013.

2. The suit alongwith said interim application was listed before court on 27th May, 2013. After hearing, detailed ex-parte order was passed restraining the defendant, its directors, officers, agents, servants, representatives and assigns etc. from using the trade mark WORLD BOOK or any other mark that is deceptively similar to the plaintiffs' trade mark WORLD BOOK or any other mark that is deceptively similar to the plaintiffs' registered trade mark WORLD BOOK in respect of printing/publishing of books and other reference materials and educational products, either in print or in software versions as also on their website.

3. Upon service of interim order, the defendant filed its written statement and

contested the prayer of interim order passed on 27th May, 2013. The defendant also filed an application under Order 39 Rule 4 for vacation of an ex-parte interim order being I.A. No. 11342/2013. Another application bearing I.A. No. 12459/2014 was also filed by defendant under Order 3 Rule 4 CPC seeking certain directions against the counsel of the plaintiffs. By this order, I propose to decide the three pending applications.

The case of the plaintiffs

4. The plaintiff No. 1, a corporation organized and existing under the laws of Delaware, USA, is a publisher of encyclopaedias and other reference materials that markets hundreds of reference and educational products in over thirty countries worldwide in more than twelve languages. The plaintiff No. 2, a company based in India, is responsible for the sales, marketing and distribution of goods/services under the trademark/trade name WORLD BOOK. The claim is made by the plaintiffs that they are the largest selling print encyclopaedia in the world and well known in the business of publishing encyclopaedias and other educational reference materials since its adoption in the year 1917. Plaintiffs' WORLD BOOK ENCYCLOPEDIA is considered as number one selling print encyclopaedia in the world.

4.1. In addition to its use as a trademark, the mark WORLD BOOK forms part of the corporate identity and trading style of the plaintiff No. 1 as also of its subsidiaries/affiliate companies throughout the world and their encyclopaedias and other reference materials under the trademark/trade name WORLD BOOK are available in print, software versions as also online and are accessible at worldbookonline.com.

4.2. Plaintiffs have obtained registrations of trademark WORLD BOOK in a number of countries worldwide, covering twenty seven countries. In India, the plaintiffs are the registered proprietor of the trademark WORLD BOOK in respect of a wide variety of goods/services, as detailed in para 5 of the plaint that are valid and subsisting as on date. On the basis of the said registrations, the plaintiffs have the exclusive right to the use of the aforesaid trademarks in India. The products and services of the plaintiffs' under the trademark/trade name WORLD BOOK have been commercially available in India since 1993. They have also been advertising and promoting trademark/trade name WORLD BOOK in various countries including India, through print and electronic media including magazines, television, and the internet. It is averred that the plaintiffs own and have registered over 100 domain names, some of them are mentioned in para 12 of the plaint. Also, there are various third party websites that provide reference to the plaintiffs trademark/trade name WORLD BOOK and its encyclopaedias and other reference materials made available thereunder. The details are mentioned in Para 12 of the plaint.

5. It is averred against the defendant that the defendant is a company registered under the Indian Companies Act, 1956 and is engaged in the business of

publication and publishing books, etc. In the first week of September, 2012, plaintiffs discovered that the defendant had registered a company in the name of World Book Company Private Limited that contains the dominant and distinctive element of the plaintiffs' trademark/trade name WORLD BOOK. On 12th September, 2012, the plaintiffs sent a cease and desist notice to the defendant calling upon it not to use its registered trademark/trade name WORLD BOOK as part of their corporate name. However, it is stated that the said notice was not replied to by the defendant and subsequently, it was also discovered that the defendant had registered the domain name [www.worldbookcompany.in](http://www.worldbookcompany.in) also website, which is stated to be deceptively and/or confusingly similar to plaintiffs' trademark/trade name WORLD BOOK, including its domain name [worldbook.com](http://worldbook.com).

5.1. By using the plaintiffs' proprietary trademark/trade name WORLD BOOK and by adopting the trademark WORLD BOOK as part of its corporate name, the defendant has committed an infringement of the registered trademark of the plaintiffs. The act of the defendant has resulted in deceiving the members of the trade and public at large into believing that the offending products/services sold and offered for sale by the defendant have some connection with the plaintiffs, whereas in fact, no such connection exists. Since the defendant is in the same trade of publication of books, etc. as the plaintiffs, the public is likely to be attracted towards the defendant's products sold under the trade name WORLD BOOK and inclined to purchase the same under a mistaken belief and impression that they are buying the merchandise of the plaintiffs and/or their licensees and they have some association of any kind with the plaintiffs which in fact is untrue.

6. The case of the defendant in the written statement is that the words "World Book" are commonly used words found in the English dictionary and no one can have exclusive right to use these words which are not coined. The said words are within the public domain cannot be claimed as exclusive proprietorship. The defendant's logo has no resemblance to that of plaintiffs' trademark. The defendant prints and publishes books unlike that of plaintiffs. The plaintiff has no business in India. The documents filed by plaintiffs do not show any advertisement in India. The plaintiffs are unknown in India, the website owned by the plaintiffs i.e. [www.worldbookindia.com](http://www.worldbookindia.com) does not mention about the books.

6.1. The defendant is involved in publication of novels and has created goodwill of their own in the market. The defendant's website [www.worldbookcompany.in](http://www.worldbookcompany.in) also features the other websites [wbcbooks.com](http://wbcbooks.com), [wbcmart.com](http://wbcmart.com) and [ebukk.com](http://ebukk.com) in its webpage clearly indicating WBC as its brand name and the name of the website of the defendant is registered in the domain registry after a thorough search. Thus, there is no confusion and deception. The defendants are not WORLD BOOK but WORLD BOOK COMPANY PVT. LTD. registered under the Ministry of Corporate Affairs. The plaintiffs only deal in publishing encyclopaedia, therefore the question of any resemblance does not arise. Particularly no evidence is produced by the plaintiffs about their user in India except only a few invoices which do not indicate any kind of popularity or indication of

advertisement in India.

The plaintiff No. 2 was registered in India only after the defendant registered its company. While the plaintiffs have never published or printed their books in India, the growing popularity of the defendant's work rather the plaintiffs with an intent to ride on the goodwill created in the market. The plaintiffs are attempting to destroy the business of the defendant.

7. As there is no connection whatsoever between two types of business activities, the question of infringement does not arise. Due to the ex parte ad interim injunction passed against the defendant had to suffer extreme loss of reputation, goodwill and financial loss which the plaintiffs are liable to compensate. The directors of the company were subjected to humiliation before the investors and were subjected to debt whereas the defendants were merely publishing books with their own effort, creativity and hard work and were progressing extremely well. The plaintiffs undoubtedly have ill motive to extort money from the defendant company and have illegally claimed exclusive rights over the words "WORLD BOOK" is a gross abuse of the process of law.

8. It has also been stated that the plaintiffs first attempt to register the words "WORLD BOOK" as per Application No. 574917, failed as Status-Abandoned, as per records and subsequent attempt to register the words WORLD BOOK was later registered as unopposed with a condition and limitation, i.e. disclaimer imposed to the effect that the registered proprietor shall have no exclusive rights over the word BOOK separately. Thus, the condition and limitation of the word "BOOK" would show that as per Section 17 of the Act, the words "WORLD BOOK" are common and no monopoly can be granted. The word "BOOK" has to be ignored while comparing the mark. Under these circumstances, the interim order passed by the Court is liable to be vacated, as no case is made out by the plaintiffs against the defendant who has already obtained the registration of its corporate name under the Companies Act.

9. In case submissions of both parties are examined carefully, the following are the main issues which are to be decided at this interim stage:

(i) Whether the case of infringement is made out by the plaintiffs against the defendant?

(ii) Whether the defendant is passing off its business and services as that of the plaintiffs?

(iii) Whether the plaintiffs are the prior user of the mark/name WORLD BOOK and has it acquired goodwill and reputation in India and abroad?

(iv) Whether the mark/name WORLD BOOK is common to trade and publici juris?

(v) Whether the use of Domain Name by the defendant is similar?

Goodwill and Reputation

10. Learned counsel for the defendant argued that there are innumerable "WORLD BOOK" in combination used worldwide by different owners and therefore it is impossible for the defendant to say which "WORLD BOOK" the plaintiffs represent. The words "WORLD BOOK" are common English words widely used worldwide by different owners and very general in nature and therefore monopoly rights by one owner cannot be accorded. The plaintiffs Trade Mark in America clearly shows the two words with a Globe device. It is completely incorrect to say that the plaintiff's have any rights over the words in combination. The plaintiffs have tried to mislead this Court by mentioning in their interim application that they have been given rights in combination which is absolutely false and misleading. It has been argued that dictionary words cannot be monopolized and directly referring/defining the product cannot be anyone's sole exclusivity i.e. world of books.

The learned counsel for the defendant has also argued that the word "WORLD" is also a generic term and widely used by several hundreds of different owners. Some of the trade marks registered in India with the word "WORLD" are- WORLDTECH, WORLDCARD INTERNATIONAL, WORLDBOOK, WORLD SERIES, WORLD TRAVELLER, WORLD CUP etc. Some of the trade marks registered around the world with the word "WORLD" are WORLD HEALTH ORGANIZATION, WORLD CUP FOOTBALL etc. These words are in public domain for decades. It is also argued that the WORLD BOOK in combination is used worldwide by different owners:

? WORLD BOOK FAIR-INDIA-Held at Pragati Maidan for last 40 years.

? WORLD BOOK DAY-IRELAND.

? WORLD BOOK NIGHT-UK.

? WORLD BOOK CENTER.

? BETTER WORLD BOOKS.

? SMALLER WORLD BOOKS.

? WORLDOFBOOKS.COM.

? WORLDBOOKMART.COM-INDIA.

? WORLDOFBOOKS.COM.

? UKBOOKWORLD.COM.

? WORLDBOOKS.COM.

? BOOK WORLD INC-AMERICA.

? WORLD BOOK CAPITAL.

11. It is alleged by him that the words WORLD BOOK when written in reverse i.e. BOOK WORLD is also owned by innumerable different owners worldwide. The

words "WORLD SCHOOL" similarly are two generic words combined together to form a meaning and directly referring to what they do therefore open to the world for use and are being used. An example of WORLD SCHOOL is given below:

? GREATER NOIDA WORLD SCHOOL.

? FORTUNE WORLD SCHOOL.

? SANSKAR WORLD SCHOOL.

? KAUSHALYA WORLD SCHOOL ETC.

It is also argued by him that the words which are of common use in a language can be adopted by a trader or manufacturers as is evident from the definition of "mark" under Section 2(m) of the Trade Marks Act.

12. It is rightly held in many cases decided by the courts that Infringement of a registered trademark is caused by the use of the mark which is identical or nearly resembling to that of registered trademark in respect of the same, similar or different goods in terms of provisions of the Act. In that sense, the remedy of infringement is statutorily conferred upon the registered proprietor. On the other hand, passing off action is an action in common law which is essentially the protection of goodwill and reputation which the person has created by virtue of carrying out of business activities under a particular name and style or under a brand name for that matter and the said action is an action in deceit which is to prevent any misrepresentation caused amongst public. The said misrepresentation may be in the form of innocent representation or deliberate representation which is immaterial in the case of passing off. Actual deception is not required for the party who is infringing the legal rights of the rightful person even using the name innocently. In fact, for the purpose of deciding the case of infringement of trade mark, the plaintiff has not to establish at the initial stage that such adoption was in bad faith.

### Infringement

13. I have heard learned counsel for both the parties who have made their submissions at bar. It is necessary to discuss Section 29 of the Trade Marks Act, 1999 that envisages the law relating to infringement of a registered trademark and Section 28 of the Act that provides for exclusive rights granted by virtue of registration. The said provisions read as under:-

#### "29. Infringement of Registered Trademark

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

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

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

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

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

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

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

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

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

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

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

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

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

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

(c) imports or exports goods under the mark; or

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

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person,

when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

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

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

(b) is detrimental to its distinctive character; or

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

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

"28. Rights conferred by registration-

(1) Subject to the other provisions of this Act, the registration of a trade mark 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 or services 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 person as against any other of those persons merely by registration of the trade marks but each of those 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."

14. By mere reading of these provisions, it is clear that a registered trademark is infringed by a person who not being a registered proprietor, uses in the course of trade a mark which is identical or deceptively similar in relation to the goods or services which are identical or similar to that in respect of which the trademark is registered without the permission of the trademark owner.

15. In order to establish infringement, the main ingredients of Section 29 of the Act are that the plaintiff's mark must be registered under the Act; the defendant's mark is identical with or deceptively similar to the registered trade mark; and the defendant's use of the mark is in the course of trade in respect of

the goods covered by the registered trade mark. The rival marks are to be compared as a whole. Where two rival marks are identical, it is not necessary for the plaintiff to prove further that the use of defendant's trademark is likely to deceive and cause confusion as the registration shows the title of the registered proprietor and the things speak for themselves. In an infringement action, once a mark is used as indicating commercial origin by the defendant, no amount of added matter intended to show the true origin of the goods can effect the question. If Court finds that the defendant's mark is closely, visually and phonetically similar, even then no further proof is necessary.

16. The following are the judgments which are relevant to be referred for the purpose of infringement of the trade mark:

i. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) page wherein it was held that:

"The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods"

"if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the make would be immaterial"

ii. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) it was held as under:

"When a person gets his trade mark registered, he acquires valuable rights by reason of such registration. Registration of his trade mark give him the exclusive right to the use of the trade mark in connection with the goods in respect of which it is registered and if there is any invasion of this right by any other person using a mark which is the same or deceptively similar to his trade mark, he can protect his trade mark by an action for infringement in which he can obtain injunction...."

iii. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) it was held as under:

"On registration of a trade mark the registered proprietor gets under Section 28 the exclusive right to the use of such trade marks in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trade mark."

iv. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) , the relevant paras of which read as under:

"14. At this stage of the case, we have no affidavit against another affidavit, and in view of the statutory provisions of Ss. 28 and 31 of the Trade and Merchandise

Marks Act, it would be appropriate to rely upon contentions of the plaintiffs.

15. It is apparent that the word AEVI is not a commonly used word. The word is not in a dictionary. Its adoption by the defendants, therefore, needed to be explained, which the defendants have not explained in the pleadings before the Court.

16. Phonetically the word AVIS, which is registered mark for footwear, and the word AEVI'S have to be pronounced identically. The business name of the defendants is known as AVI Footwear Industries. Prima facie, if it was the intention of the defendants by affixing the label AEVI'S on the footwear made by them was to indicate that the footwear carrying that label is made by the AVI Footwear Industries, then the mark they would have adopted would have been AVI, but that they have not done. They have tried to bring their mark/label as close as possible phonetically to the registered mark AVIS.

17. In my view, the statutory monopoly which has been conferred upon the plaintiffs in connection with use of the mark AVIS for any other consideration in relation to grant or non-grant of an injunction, especially when the matter is at an interlocutory state, and is yet to be tried, and it cannot be foreseen as to whether the defendants who seek rectification of the plaintiffs mark, on account of nonuser would be able to prove their case. The statutory registration establishes prima facie case in favour of the plaintiffs.

18. In this view of the matter, I think that the balance of convenience would be in favour of the plaintiffs, to ensure that by concurrent user, during the period of the trial, no other rights come into existence. In my view, it is very convenient, if the defendants are so minded, to adopt any other label that establishes a connection in the course of trade with respect to the footwear manufactured by them."

17. In the present case, it is the admitted position that the plaintiff No. 1 is the registered proprietor of the trade mark WORLD BOOK in respect of wide variety goods/services. Detailed information of the same are given hereinbelow:

18. The plaintiffs have obtained registrations of the trade mark WORLD BOOK in a number of countries worldwide, including in Australia, Brazil, Canada, Chile, Denmark, Egypt, European Union (covering 27 countries), India, Ireland, Indonesia, Italy, New Zealand, Singapore, Spain, South Africa, United Kingdom, United States of America and in India.

19. There are various 3rd parties website which provides reference to the Plaintiffs Trade Mark/trade name WORLD BOOK. These 3rd parties' websites also sell the plaintiffs WORLD BOOK encyclopedias and other reference materials online in India. Some of these websites are:-

? <http://www.indigoedu.com/>,

? <http://www.schandgroup.com/WorldBookEnCyclopedia.asp>,

? <http://www.theocean.in/worldbook.php?pg=wbencs2012wbook>,

? <http://bazar.sulekha.com/the-world-book-encyclopedia-2013-deluxe-indian-edition-rs-1994-off-buy-it-for-rs-1-8499>,

? <http://mumbai.quikr.com/WORLD-BOOK-ENCYCLOPEDIA-FOR-SALE-W0QQAdIdZ108847255>,

? <http://www.dealdunia.in/topic/6370-the-world-book-encyclopedia-2013-deluxe-indian-edition-in-rs-1-only/>,

? <http://www.amazon.com/The-World-Book-Encyclopedia-editors/dp/0716601036>,

? <http://www.webay.in/itm/World-Book-Encyclopedia-individual-volumes-/370289446032>

Besides these 3rd party websites selling the products of the plaintiffs online, the products of the plaintiffs are also available on online giants such as Flipkart as well as Amazon US including Amazon India. The abovementioned facts have not been disputed by the defendant at the time of hearing of the applications.

20. There is a material placed on record to show that the products and services under the Trade Mark WORLD BOOK have been commercially available in India from the year 1993. Plaintiffs have been extensively advertising and promoting its products under the Trade Mark WORLD BOOK in various countries of the world including India through print and electronic media and through the internet. The plaintiffs own and have registered over 100 domain names such as worldbook.com, worldbookonline.com, worldbookindia.com, worldbk.com etc. The products and services are available online also through its website. Large numbers of documents are filed by the plaintiffs in order to establish the use of the mark WORLD BOOK in India and abroad.

21. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) , where the issue was whether "LIV" is generic and common to the trade as the medicines in question manufactured and marketed by both the parties are meant for treatment of liver, it was observed as under:

"24. After having considered the above mentioned decisions, it is clear to us that it is not the right test of a meticulous comparison of two marks, letter by letter and syllable by syllable. It is the person who only knows the one mark and has perhaps an impression, or imperfect recollection of it, who is likely to be deceived or confused. In fact it depends on first impression of a person. In case he is aware or familiar with both rival marks of the parties he will neither be deceived or confused. The degree of similarity between the two rival marks and which depends upon the first impression whether visual or phonetic and in case court finds that there is a risk of confusion which is the public interest should not be authorised. The question is merely the dispute of inter se between the parties but it is matter of right by the registered proprietor who got the exclusive rights

to protect the same, otherwise, many competing marks would be available in the market in due course and uncertainty might happen in case the infringer is allowed to use similar mark."

x x x x x

"Actually, whether a particular mark is a generic mark or portion of the mark is generic component is essentially a question of fact. Further, what level of distinctiveness, it has attained in market by its long standing user in the market, whether the said descriptiveness is withered away by way of acquired distinctiveness is another question to be answered by way of seeing the facts and circumstances of the case and the evidence of the parties."

22. The defendant is in similar type of business of publishing books. The defendant who is in the publishing business cannot say that they were not aware about the existence of the plaintiffs' products and services under the Trade Mark WORLD BOOK in today's age of internet. Under Section 29(5) of the Act, in case the registered trademark is used by a party, who is not the registered proprietor, as a dominant and essential feature of the corporate name or trading style, it amounts to infringement.

#### Passing Off

23. The fundamental difference that passing off is an action which essentially protects goodwill and not the unregistered trademark has been explained in the case of *Star Industrial Co. Ltd. v. Yap Kwee Kor* [1976] Fleet Street Patent Law Reports 256 decided by Privy Council comprising Lord Diplock in his speech wherein it has been observed that passing off is an action which is to preserve the goodwill of a person and not aimed at to protect an unregistered trademark. In the words of Lord Diplock, it has been observed as under:-

"Whatever doubts there may have previously been as to the legal nature of the rights which were entitled to protection by an action for "passing off" in courts of law or equity, these were laid to rest more than 60 years ago by the speech of Lord Parker of the Waddington in *A.G. Spalding & Bros. v. A.W. Gamage Ltd.* (1915) 32 R.P.C. 273 ("the Gamage Case") with which the other members of the House of Lords agreed. A passing off action is a remedy for the invasion of a right of property not in the mark, name or get up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is carried abandoned in one country in which it is acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. Once the Hong Kong Company had abandoned that part of its former business that consisted in manufacturing toothbrushes for export to and sale in Singapore it

ceased to have any proprietary rights in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country."

24. From the reading of the said observation of Lord Diplock's speech, it is clear that the gist of passing action is goodwill and reputation which is sought to be protected and thereby misrepresentation is prevented in the course of trade. It is altogether different matter that misrepresentation may include the use of mark in the course of trade and ultimate effect of passing off action in most of the cases is protection of the trademark anyway, but the heart and soul of the passing off action has always been protection of goodwill and reputation aimed at to prevent misrepresentation.

25. One of the essential ingredients is goodwill. The classic case of passing off as it existed since its genesis always insist the existence of goodwill of a merchant in order to give him a locally enforceable right to sue for passing off. This has been explained by Kerly's in his book called Law of Trade Marks and Trade Names (Fourteenth Edition) (South Asian Edition 2007), wherein the concept of goodwill has always been categorized as local in character and the learned author observed thus:-

"Since an essential ingredient of passing off is damage (or prospective damage) to goodwill, he (the Plaintiff) must show that he had, at the date when the Defendants started up, in this country not merely a reputation but a goodwill capable of being damaged. Goodwill, however, is local; it is situated where the business is. Thus a foreign claimant may have a reputation in this country-from travellers or periodicals of international circulation or, increasingly, from exposure on the Internet-yet still fail in an action for passing off because he has here no business and so no goodwill. Such cases have been not uncommon in recent years, and have caused considerable difficulty. Where there is a substantial reputation here, our courts will often accept minimal evidence that a business exists here, but there has to be some".

26. This concept of goodwill and the insistence of localized business has been traditional concept of passing off which sometimes is called as classic case of passing off. However, this concept of passing off has undergone changes due to advent of technology and modernization. For the said reason the tendency to insist localized goodwill has been transformed into proving reputation of a global character. All this would mean that courts entertaining the case of passing off can discount the localized existence of goodwill and the business in the territory specific if the substantial nature of reputation has been proved which has some kind of nexus in the territory where the protection is sought and the said concept in the modern language is called trans-border reputation whereas the goodwill is always local in character, the concept of reputation is dynamic and is all encompassing. The reputation of a person can transcend boundaries by virtue of its advertisement in the newspapers, media circulation, expatriate reputation due to cultural akin ness and all other relevant factors which connect one countries business with that of another. This has been aptly explained by the Division

Bench of Delhi High Court in the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) wherein the S. Jagannath Rao, J. speaking for the Bench has approved the concept of trans-border reputation in the following words:-

"(25) Thus a product and its trade name transcend the physical boundaries of a geographical region and acquire a trans border or overseas or extraterritorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trade 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".

27. The said judgment of *Whirlpool* [supra] has been approved by the Hon"ble Supreme Court of India in the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) wherein J.S. Verma, J. speaking for the Bench again reiterated the exposition of law laid down by the Division Bench of Delhi High Court. This exposition of 1996 in the case of *Whirlpool* [supra] has been further revisited by the courts in India more importantly in the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) wherein Ruma Pal, J. has carefully analyzed the interplay between the goodwill and reputation in a case of passing off action and has laid down that the courts in India have followed the third approach which is a middle path wherein strict insistence of localized business is not necessary. However, reputation which is sought to be protected has to be substantial one having global character. The observation made by Hon"ble Judge is as under:-

"13. Reputation is the connection that the public makes between a particular product or service and a particular source which may or may not be known. Some Courts have held that reputation which is built up on the basis of trade within the country is entitled to protection from passing off. Others Court have made some concession to the communication explosion and held that if the plaintiff has a reputation in another country, his right to the mark will be protected if it is coupled with some actual or proposed business activity within the country (See *Alain Beniardin et Cie v. Pavilion Properties*, (1967) RFC 581; *Amway Corporation. v. Eurway Int. Ltd.* (1974) RFC 82. "Still other Courts have held that with the increase in international commerce, mass media communications and the frequency of the foreign travel, political and geographic boundaries do not stem the exchange of ideas and instant information. Local business is not an essential ingredient of a passing off action. However, the reputation must be well established or a known one See : *Panhard et Levassor v. Panhard Motor Co. Ltd.*, (1901) 18 RPC 405; *Sheraton Corpn. v. Sheraton Motels*, (1964) RPC 202; *Orkin Exterminating Co. Tnd. v. Pest Co. of Canada* (1985) 5 Canadian Patent Reporter 433; *Vitamins L.D.'s Application for Trademark*, 1956 (1) RPC 1. The decisions which reflect the first and second view have so held for reasons which are partly historic, partly geographic and partly because reputation was equated with goodwill. Goodwill has been defined as the benefit derived from reputation. It is not the reputation required to found a passing off

action. The law of passing off is not trammelled by definitions of goodwill developed in the field of revenue law [per Hockhart J., *Conagra Inc. v. McCain Foods (Aust) P. Ltd.*, 1993 (23) IPR 193 231]. It is an asset of a business assessable in terms of money and transferable (See *IRC v. Muller*, (1901) AC 217, *Trego v. Hunt* (1896) AC 7; *ITC v. B.C. Srinivas Shetty*. In my opinion reputation framing the basis of a passing off action need not be so localised. Whatever the compulsion for the Courts taking the first or second view in other countries, as far as this country is concerned, Courts in India prescribe to the third view and have held that a plaintiff with a reputation which is established internationally can sue to protect it in this country even if it does not have any business activity here. In other words reputation of a product may precede its introduction and may exist without trade in such product in the country. See *N.R. Dongre v. Whirlpool Corporation*, (DB); *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) ; *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) ; *Conagra Inc. v. McCain Foods* (Supra) at p. 133."

28. The said judgment passed in the case of *Milment* (supra) passed by Division Bench of Kolkata High Court has been further approved by Hon"ble Supreme Court of India in the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) presided by S.N. Variava, J. wherein the Supreme court has laid down that :

"It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the Respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be who is first in the market".

It was further observed on the facts of the case as under:

"(9) In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division bench had relied upon material which prima facie shows that the Respondents product was advertised before the Appellants entered the field. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench."

29. The Courts in India have started recognizing the global character of the brand names and have started giving them protection merely on the basis of global nature of reputation without insisting any localized business which was

significant departure from the classic trinity laid down by Lord Diplock in the case of Erven Warnink (Supra). The position of law uptill Milment has been followed that the courts in India by placing reliance on the said decision have proceeded to grant interim orders to the multi-nationals having their brands which are of global character and prevented the misuse of the said brands by protecting trans-border reputation subject to fulfilling of essential characteristics necessary to prove trans-border reputation. The decision in the case of Milment was also rendered in the year 2004 when the impact of internet, e-commerce, social media was yet to be seen and realized.

30. Recently, this Court has rendered a decision in the case of Anya v. University of Oxford, 2001 EWCA Civ 405 (CA) wherein the decision of law relating to trans-border reputation has been further strengthened and has been taken to another level wherein the court has not merely relied upon the decision of Milment (Supra) and Whirlpool (Supra) but has also extended the principle of trans-border reputation by observing that the existence of a merchant on web pages which are of foreign origin and social media are sufficient to show the trans-border nature of reputation without having any activity in India at the relevant time. Though it is very broad extension of the concept of trans-border reputation, but it is a question of fact in each case as to how the internet documents are sufficient to show the global character of the trademark and the reputation attached to the same. The impact of the said decision which has been given very recently is yet to be seen and analyzed by the other courts in India in the upcoming times. Effectively, the concept of trans-border reputation and goodwill is interesting in academic sense. However, due to advent of internet media, international travel, the insistence on the localized business as well as trans-border reputation is nowadays more or less dealt with in a kind of presumptive approach rather than by actual establishment of the same. As the international businesses grow and proximity between the markets would increase, over the time this concept will become weaker and on one good day world will be treated as one market.

31. In the case of Anya v. University of Oxford, 2001 EWCA Civ 405 (CA) , the case before the Supreme Court pertained to the grant of an injunction against the Defendant using, in any manner, as a part of its corporate name or trading style the words Mahindra & Mahindra or any word(s) deceptively similar to Mahindra or and/or Mahindra & Mahindra so as to pass off or enable others to pass off the business and/or services of the Defendant as those of the Plaintiffs or as emanating from or affiliated or in some way connected with Plaintiffs. The Defendant contended that its products were in no way similar to that of the Plaintiffs and that the business carried on by it did not overlap with the business of any of the companies enlisted by the Plaintiffs. The Supreme Court held that by using the Plaintiffs trademark as a part of its corporate name, the Defendant had committed the fraud of passing off its business and/or services as that of the Plaintiffs.

32. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) , the issue was whether an action in passing off was maintainable where the Plaintiff's registered mark was used as part of the Defendant's corporate name and the goods and services dealt with by the parties were in different classes. Following *Mahendra and Mahendra*, the Court held that a passing off action was maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.

33. In *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) the Supreme Court has held that:

"8. It is common in trade and business for a trader or a businessman to adopt a name and/or mark under which he would carry on his trade or business. According to Kerly (Law of Trade Marks and Trade Names, 12th Edn., para 16.49), the name under which a business trades will almost always be a trade mark (or if the business provides services, a service mark, or both). Independently of questions of trade or service mark, however, the name of a business (a trading business or any other) will normally have attached to it a goodwill that the courts will protect. An action for passing-off will then lie wherever the defendant company's name, or its intended name, is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses. If this is not made out there is no case. The ground is not to be limited to the date of the proceedings; the court will have regard to the way in which the business may be carried on in the future, and to its not being carried on precisely as carried on at the date of the proceedings. Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently."

34. *Salmond & Heuston in Law of Torts* (20th Edn., at p. 395) call this form of injury as "injurious falsehood" and observe the same having been "awkwardly termed" as "passing off" and state :

"The legal and economic basis of this tort is to provide protection for the right of property which exists not in a particular name, mark or style but in an established business, commercial or professional reputation or goodwill. So to sell merchandise or carry on business under such a name, mark, description, or otherwise in such a manner as to mislead the public into believing that the merchandise or business is that of another person is a wrong actionable at the suit of that other person. This form of injury is commonly, though awkwardly, termed that of passing-off one's goods or business as the goods or business of another and is the most important example of the wrong of injurious falsehood. The gist of the conception of passing-off is that the goods are in effect telling a falsehood about themselves, are saying something about themselves which is calculated to mislead. The law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders."

35. In *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) , this Court held that the asset to be protected is the reputation, the plaintiff's business has in the relevant market which is manifested in various indicia which lead the customer to associate the business with the Plaintiff such as the name of the business, whether real or adopted, the mark, design, make-up or colour of the plaintiffs' goods, the distinctive characteristics of the services the Plaintiff supplies. It is around encroachments upon such indicia that passing off actions arise. The Court held that the wrongful appreciation of trade reputation was an injury to the Plaintiffs. The Court held that the said injury and the acknowledged intention to continue to inflict it was ample justification for the injunction.

The Court held that the goodwill and reputation in a business is the result of a person's own labour and merit and one trader should not be allowed to usurp the fruits of a competitors labour. Law will protect against such intrusions by the rivals upon the goodwill and reputation of another. This is reaping without sowing. The Court held in para 22 that it takes year sometimes generations of patience toil and investment to develop and gain the advantage of goodwill when this goodwill is sought to be attacked, the law will prevent it.

In para 30, the court held that there is a misrepresentation for business purposes as to the origin of goods are the Defendants manufacture in the course of their business. This is passing off. The defendants have no right to represent their business as the business of the Plaintiff.

In para 37, the Court held that the use of the word Elora by the Defendants is indicative of a warm intimacy with the Plaintiffs and the word "Elora" lurks and lingers in the amount of the customers. In the present case, the casual of unwary customer will be bound to be misled by the Defendants adoption and use of the mark WORLD BOOK.

36. In *B.K. Engineering Company Vs. U.B.H.I. Enterprises*, AIR 1985 DEL 2010, this Court held, while deciding the question of passing-off between Plaintiffs Trade Mark B.K. against Defendants Trade Mark B.K. 81 for similar products namely cycle bells. Competition must remain free. This is the life blood of free enterprise system yet, it is essential that trading must not only be honest but must not even unintentionally be unfair. Therefore, the court has gone to the extent that even an unintentional act of trespassing on somebody's Intellectual Property asset cannot allow.

The Court further held in *B.K. Engineering's* case (supra) that the test of misappropriation of Intellectual Property/goodwill/reputation is the impression likely to be produced on the casual and unwary customer. In the same judgment in para 16, the Court held that the central question in each case is whether the name or description given by the defendant to his goods is such so as to create a likelihood that a substantial section of the purchasing public will be misled into believing that his goods are the goods of the Plaintiff's.

The Court further held that it must be remembered that we are concerned with

the case where both firms are engaged in a common field of activity. The question arises whether the Defendants are misleading the public into buying their goods in the belief that they emanated from the Plaintiffs. The Court further said that most defendants in these cases start their business fully aware of the fame of the Plaintiffs name and mark. They want to cash in on the popularity of the Plaintiffs product. Whether the goods are inferior or superior, every infringement is, in the way tribute to the excellence of the Plaintiffs wares. It is a major of the popularity of Plaintiffs goods. The Court, also emphasized in para 54 that the fundamental question is whether there is a likelihood of deception of the public by the use of a particular name. If there is likelihood, the Defendant will be restrained.

37. In the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) , the High Court of Bombay held that common field of activity is not conclusive for deciding whether there can be passing off action, although at one point of time the said test was treated as conclusive. It was held that with the passage of time the law of requirement of common field of activity in a passing off action has undergone a radical change and as such there was no requirement for a common field of activity to found a claim on passing off action, because the real question in each of such cases is, whether there is, as a result of mis-representation, a real likelihood of confusion or deception of the public and consequent damage to the plaintiff is likely to be caused and if that is taken to be the test then the focus is shifted from the external objective test of making comparison of activities of the parties, to the state of mind of public, in deciding whether it will be confused.

#### Protection of Coined Words by the Courts

38. In the case of *Reddaway v. Banham* (1896) 13 RPC 218 which was referred in the case of *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) , the judgment given by the Single Judge of this Court speaking through Shri Mahinder Narain, J. who discussed the case of *Reddaway* (supra) at great length by referring the facts of the matter. The said narration of facts are as under:

".....The words of common language which were held to be exclusively appropriated by *Reddaway*, in that case were "Camel Hair". What was asserted in the *Reddaway*'s case was that beltings were manufactured and sold by various persons; that the beltings used to be sold under the name of various animals like Yak, Llama, Buffalo, Crocodile etc. What Plaintiff *Reddaway* asserted was that *Banham* was their one time employee and that he had started selling the beltings under the name "Camel Hair"; *Reddaway* also asserted that they were entitled to stop others, like Defendants *Banham*, from using the word "Camel Hair with respect to the beltings manufactured by them.

48. This case was decided by the House of Lords on or about 26th March, 1896. The case was started on 3rd May, 1893 when Frank *Reddaway* and F. *Reddaway* & Co. Ltd., commenced the suit in the Manchester District Registry of the Queen's Bench Division against *George Banham* and *George Banham & Co. Ltd.*,

for an injunction to restrain the Defendants from infringing certain trade marks and from continuing to use the word "Camel in such a manner as to pass off their goods as and for the plaintiff's goods. It was asserted that the plaintiffs had, during the course of trade, sold very large quantities of beltings as "camel beltings" and that the word "Camel" appeared upon, or was attached to their beltings as "camel beltings". In England and abroad the word "camel", or the figure of a camel, was universally understood in all the places where their beltings was sold, to indicate goods to be of plaintiffs manufacture. It was also asserted that beltings was sold as "camel" and "camel hair beltings also. The action was commenced because the Defendants' company and the Defendant Banham had recently sold in England and advertised for sale in conjunction with the word "Camel" large quantities of beltings, which belting was not made by the plaintiffs and thus, the persons who desire for purchasing beltings of the Plaintiff would be deceived by the Defendants' use of the word "Camel", into the belief that they were purchasing the beltings of the plaintiffs' manufacture.

49. The plaintiffs got the injunction from Collins, J. but the Defendants' appeal was allowed by the Court of Appeal holding that "Camel Hair" Belting" was merely a truthful description of the nature of the goods and nobody can be prevented from using that name, although it may lead to goods being purchased under that name, as a goods of a particular maker. The Court of Appeal held that "Camel Hair Belting was a true description of the goods, and that it was the name by which a person wanting to buy goods would ask for them. Again a judgment was given for the Defendants. The plaintiffs then appealed to the House of Lords.

50. The House of Lords examined the case, and held that even "descriptive words" like "Camel Hair Belting" were capable of exclusively appropriation, that the words "Camel Hair Belting" have acquired a secondary signification with respect to the beltings in the sense that the words "Camel Hair" with respect to the trade in beltings had lost their primary meaning, to indicate belting made of camel hair, but has acquired a secondary significance or meaning in the trade, and came to connote the products of the plaintiffs. The House of Lords found that there was ample evidence to justify the finding that amongst those who were the purchasers of such goods, the words "Camel Hair" were not applied to beltings made of that material in general; that in short, it did not mean in the market belting made of a particular material, but belting made by a particular manufacturer. The House of Lords thus came to the conclusion that common words of a language can be exclusively appropriated to a particular manufacturer as they had acquired a special meaning as denoting the goods of a particular manufacturer/trader.

51. Lord Herschell also dealt with "coined" words, that did not have any meaning in the language; and at page 228 line 19, said that "words never in use before, and meaningless except as indicating by whom the goods in connection with which it is used were made, there could be no conceivable legitimate use of it by

another person". Thus the "coined" "created", "Fancy", or "new" words which were not in use in any language before, and which did not have any meaning in the ordinary language, as evidenced by their absence in authoritative and standard language dictionaries, were the exclusive property of the person who first "coined", or created them and adopted them for use, and used it in connection with any article the only reason why a hitherto meaningless word would be used by another in connection with his activities would be to deceive the public, that the letters article, thing or goods or the articles, thing or goods of the former. He also observed that "he was unable to see why a man should be allowed in this way, more than in any other, to deceive purchasers into the belief that they are getting what they are not, and thus to filch the business of a rival".

39. The marks which are of common terms, the claim for distinctiveness or secondary meaning is weak. *Anya v. University of Oxford*, 2001 EWCA Civ 405 (CA) was a case where "kabadibazaar" was held not to be a newly coined but a descriptive word as since it required no imagination to connect it with second hand goods. Similarly in *Vijay Kumar Ahuja Vs. Lalita Ahuja*, the Court held that neither party can claim any right to exclusive use of common language words and names such as MISTER, DEFENCE, ARUN and ML unless they acquired reputation and goodwill or assumed secondary significance. Here, interestingly, the defendant, itself claims to the exclusive right to use LITE (in combination with common words) in relation to similar products, such as electric torches and flashlights, and relies on marks such as SPOTLITE, PENLITE, CITYLITE, etc. The plaintiff submits therefore that the defendant cannot challenge the plaintiff's mark as descriptive, or not being distinctive. In *Automatic Electric Limited Vs. R.K. Dgawan and Another*, this Court held that as the defendant itself has sought to claim trade proprietary right and monopoly in DIMMER DOT, it did not lie in their mouth to say that the word DIMMER was generic. There too, the plaintiff's mark was with a disclaimer. In view of these circumstances, it is held that the defendant cannot say that the HOMELITE mark or HOME, or LITE, separately are descriptive; they are in any case, arbitrary in relation to electrical torches and flashlights. HOMELITE does not conjure the vision only of a portable electrical light; it is associated with a range of home lighting.

Prior user

40. It is argued by the defendant that the plaintiff No. 2 is fraudulently acquired company and is a result of a false declaration given to the Registrar of Companies with regards to whether an identical company is already registered prior to the Plaintiffs application. The same reflects on the various forms filled by the Plaintiffs that the defendant has placed on record and the defendant is a company by the name World Book Company Pvt. Ltd. incorporated on 23rd May, 2012, while plaintiffs are a company by the name World Book India Pvt. Ltd. incorporated on 24th August, 2012. The plaintiffs have incorporated an identical Company by giving a false declaration to ROC which are evident on pages of the Reply to RTI Application. The same is against the ROC Guidelines wherein

companies with identical names are considered undesirable names. The plaintiff used the search facilities available on the portal of the Ministry of Corporate Affairs for checking the resemblance of the proposed name(s) with the companies and Limited Liability Partnerships (LLPs) respectively already registered or the names already approved.

41. It is also argued that one of the Directors of the plaintiff No. 2 Company is Advocate Rohit Kochhar who is also the Chairman of the Law Firm representing this Instant suit. As per Provisions relating to the Bar Council Rules an Advocate should not act or plead in any matter in which he is himself pecuniary interested and also should not accept Brief from a company of which he is a director. The Legal Notice served upon the defendant is in itself a gross professional misconduct as per the provisions of the code of ethics. The Other director Advocate Manishi Pathak whose name appears in the Registration of the plaintiff-Company is also one of the Senior Partners of the Law Firm representing this present Suit. The conduct of the Advocates clearly proves Misuse of the Privilege of being an Advocate. The plaintiffs have instituted a false and frivolous suit against the defendant thereby causing loss of reputation, loss of goodwill, financial loss and harassment.

42. On the other hand, it is argued by the plaintiffs' counsel that the Defendant has no justification for adopting the impugned mark/name. It is wrong and unethical on the part of the Defendant, who has dishonestly adopted the impugned mark/name which is deceptively and confusingly similar to the extent of being virtually identical with that of the Plaintiffs' prior adopted, used, registered & famous trade mark/trade name WORLD BOOK and consequently; the chances of confusion in respect of the origin or proprietorship of the two rival marks/names are very high. The act of the Defendant amount to infringement of the Plaintiffs registered trademarks, passing-off, dilution and tarnishment.

43. The plaintiffs' being in the business of publishing encyclopedias and other educational reference material since the year 1917 and that the WORLD BOOK encyclopedia is considered as number one selling print encyclopedia in the World. The Plaintiffs being registered proprietor of the trade mark WORLD BOOK in a number of countries is also not specifically denied by the Defendant. The registrations relied upon by the plaintiffs in paragraph No. 5 of the plaint are also not specifically disputed or denied.

44. The defendant's claim that they incorporated the company with the name WORLD BOOK prior to the incorporation of plaintiff No. 2 has no merit in it. The plaintiffs have filed documentary evidence on record consisting of copies of Sales Invoices in order to establish use, goodwill and reputation of the trade mark WORLD BOOK from the dates much prior to the date of incorporation of the defendant company. The plaintiffs have also filed on record copies of Distribution Agreement dated 1st July, 1993, whereby, the Distribution rights for the Plaintiffs publication were given on non-exclusive basis to WBI Foreign Sales Limited for the territory of India including Jammu & Kashmir. The Plaintiffs have also placed

on record copy of the Agreement dated 25th February, 2004 executed between the Plaintiff No. 1 and Indigo Direct Marketing Limited, Mumbai for resale of the WORLD BOOK Encyclopedia and other educational productions in India. Copies of the invoices evidencing the sale of Plaintiffs' publications in India under the trade mark/trade name WORLD BOOK from the year 1997 is also produced on record. The plaintiffs have also produced copies of the news articles as are published in various journals/newspapers to establish the knowledge, awareness and reputation existing in the said mark in different countries in the world. The Plaintiffs have also produced on record copies of the articles as published in Indian Magazines/papers in respect of their publications in India and in different countries in the World. There is a WORLD BOOK Encyclopedia special volume on India Edition, 1999, excerpts from India Today Edition dated 21st June, 1999 and other documents pertaining to the period 2006-2007. The plaintiffs have also filed on record number of news articles published in various Newspapers and Magazines and also the website shots giving reference to and/or selling the plaintiff's WORLD BOOK publications. That apart the Plaintiffs have also produced on record copies of certificates of registrations of the mark WORLD BOOK in different countries in the world.

45. The documentary evidence produced on record clearly demonstrate prima facie that the Plaintiffs are not only prior in adoption and use of the mark WORLD BOOK in respect of and in relation to publication business but the said mark has widely been used and is highly reputed mark in the field of publication.

The next argument made by the Defendant that this company was incorporated prior in point of time in India as compared to the incorporation of plaintiff No. 2 is devoid of any merits. The rights in the trade mark/trade name WORLD BOOK are claimed by plaintiff No. 1, which is in the business of publication from the year 1917. The plaintiff No. 1 has also established its extensive use, goodwill and reputation accrued to the said mark. The plaintiff No. 2 is a wholly owned subsidiary of plaintiff No. 1 which may have been incorporated few months later than the incorporation of Defendant's company, but the said fact is of no consequence as the Defendant is much subsequent to the international adoption, use, goodwill and reputation of the said mark in India from a date much interior and prior to the date of the defendant's incorporation.

46. A trader is not permitted to use any name or corporate name in similar manner although he does not make false representation to a direct purchaser of its business. It is also pre-requisite that the misrepresentation has deceived or likely to deceive and somehow the plaintiff in due course of its business is likely to suffer damages by such deception. In nut-shell, fraudulent intention is not necessary to establish against the trader who has infringed the rights to obtain relief.

With regard to fancy word, the Courts normally to infer both an intentions to mislead and the likelihood of deception occurring. If the plaintiff, who is seeking injunction against a trader, is able to show that a particular word or phrase has

come to connote or associate in the mind of the public in the nature of its services and business offered by it, he may succeed in an action.

47. In Milmet Oftho Industries and Others Vs. Allergan Inc., , it was observed by the Supreme Court that whilst considering the possibility of likelihood of deception or confusion, in present times and particularly in the field of medicines, the Courts must also keep in mind the fact that nowadays the field of medicine is of an international character. The Court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the Applicant in India and the user by the overseas company. It was further observed that it must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the Respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However, one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. Thus, the ultimate test should be who is first in the market.

#### Disclaimer

48. Word "Book" Disclaimer in the Plaintiffs trade mark "WORLD BOOK :

It is a well settled law that the Trade Mark should be considered as a whole and the absence of the disclaimer after the amendment of the Trade Mark Act meant that the Registration give no separate rights in matter which only formed part of the Trade Mark.

The scope and effect of disclaimer has been explained by the apex court in the case of The Registrar of Trade Marks Vs. Ashok Chandra Rakhit Ltd., "The real purpose of requiring a disclaimer is to define the rights of the proprietor under the registration so as to minimise, even if it cannot wholly eliminate, the possibility of extravagant and unauthorised claims being made on the score of registration of the trade mark. The disclaimer is only for the purposes of the Act. It does not affect the rights of the proprietor except such as arise out of registration."

In plaintiff No. 1's trade mark WORLD BOOK, the disclaimed portion is only the word "BOOK". It is true that where a distinctive label is registered as a whole, such registration cannot possibly give any exclusive statutory right to the proprietor of the trade mark to the use of any particular word or name contained therein apart from the mark as a whole. It is pertinent to mention that the Plaintiff is claiming its rights in the mark/name WORLD BOOK as whole and not on the disclaimed portion per se.

In the present case, the defendant has adopted the Trade Mark/trade name WORLD BOOK in the same business with dishonest intention in a calculated attempt to ride upon the goodwill and reputation of the plaintiffs in the Trade Mark/trade name WORLD BOOK. The plaintiffs have been able to prove the case of infringement of trademark WORLD BOOK. In view of the documentary evidence available on record, it is also established by the plaintiffs that the said name/mark is a well-known trade mark which cannot be by the defendant as part of its corporate name and the same violates the provisions of sub-rule 4 and 5 of section of 2 of Section 29 of the Trade Marks Act. The defendant under these circumstances is guilty for infringement of trade marks and passing off of its business and services as that of the plaintiffs who have made a classic case of passing off. There is no justification on the part of defendant to use the impugned name on its corporate company. The defendant must be aware about the name of plaintiffs on the date of its adoption and user. Thus, the use of said name is tainted and dishonest which cannot be purified in any manner. The stolen property cannot become rightful property in any many in trade mark and trade name cases.

#### Domain names

49. With regard to domain names, it has been stated that generic domain names are available for registration on a first come first serve basis under the INDRP. Therefore, the plaintiffs' claim of registration of 100 or more domain names are an example of non exclusivity an attempt to buy each and every domain names available with the letters of these words. However there are other owners of world book in combination such as worldbookmart.com, worldbooks.com, worldbookday.com, worldbooknight.com, worldofbooks.com, bookworld.com, etc. This reflects that these words are open to the world for use and cannot be monopolized by anyone being dictionary words and directly referring to the product for use.

So far as the issue of protection of domain names is concerned, the law relating to the passing off is well settled. The principle underlying the action is that no one is entitled to carry on his business in such a way as to lead to the belief that he is carrying on the business of another man or to lead to believe that he is carrying on or has any connection with the business carried by another man. It is undisputed fact that a domain name serves the same function as the trade mark and is not a mere address or like finding number on the Internet and, therefore, is entitled to equal protection as a trade mark. A domain name is more than a mere Internet Address for it also identifies the Internet site to those who reach it, much like a person's name identifies a particular person, or as more relevant to trade mark disputes, a company's name identifies a specific company.

50. Domain names are entitled to the protection as a trade mark and the trade mark law applies to the activities on internet. The mere fact that petitioner has no registered domain name by itself may not stand in the way of a passing off action. The following are the decisions in which the domain name is protected by

the Courts:

(i) In *Marks and Spencer v. One in a Million*, (1998) FSR 265, it was held that any person who deliberately registers a domain name on account of its similarity to the name, brand name or trade mark of an unconnected commercial organization must expect to find himself on the receiving end of an injunction to restrain the threat of passing off, and the injunction will be in terms which will make the name commercially useless to the dealer. It was held in that decision that the name MARKS & SPENCER could not have been chosen for any other reasons than that it was associated with the well known retailing group. The decision further goes on to say that when the value of the name consists solely in its resemblance to the name or trade mark of another enterprise, the court will normally assume that the public is likely to be deceived, for why else would the defendants choose it ? It was also stated that someone seeking or coming upon a website called <http://marksandspencer.co.uk> would naturally assume that it was that of the plaintiffs.

(ii) In *Acqua Minerals Limited Vs. Mr. Pramod Borse and Another*, , while considering an injunction sought to restrain the defendants from using the mark BISLERI or BISLERI.COM the court observed that so far as the Registering Authority of the domain name is concerned it agrees for registration of domain only to one person. That is on first come first serve basis. If any person gets the domain name registered with the Registering Authority which appears to be the trade name of some other person, the Registering Authority has no mechanism to inquire whether the domain name sought to be registered is in prior existence and belongs to another person. The court referring to Rule 4 of the Domain Name Registration Policy observed thus :

"Unless and until a person has a credible explanation as to why did he choose a particular name for registration as a domain name or for that purpose as a trade name which was already in long and prior existence and has established its goodwill and reputation there is no other inference to be drawn than that the said person wanted to trade in the name of the trade name he has picked up for registration or as a domain name because of its being an established name with widespread reputation and goodwill achieved at huge cost and expenses involved in the advertisement."

(iii) In *Rediff Communication Ltd. vs. Cyberbooth*, 1999 (3) Arb. LR. 636, the Bombay High Court, while granting an injunction restraining the defendants from using the mark/domain name "RADIFF" or any other similar name, it was held that when two similar domain names are considered there is every possibility of internet user being confused and deceived in believing that both domain names belong to one common source and connection although the two belong to two different persons.

Once the intention to deceive is established, the court should not make further enquiry about the likelihood of confusion. If it is found that a man's object in

doing that which he did was to deceive, that he had an intention to deceive the Court, will very much infer that his object has been achieved, if the facts tend to show that, that is the case and to say that his intention to deceive ripening into receipt gives ground for an injunction.

(iv) In *Living Media India Limited Vs. Jitender V. Jain and Another*, the plaintiff was a producer of a news program under the name and style AAJ TAK while the defendant's adopted the name KHABAREIN AAJ TAK in respect of newspapers. The mark of the defendants was an exact reproduction of the plaintiff's mark. The court observed that while the words "Aaj" and "Tak" may be individually descriptive and may not be monopolized by any person, but their combination does provide protection as a trade name if it has been in long, prior and continuous user and it gets identified with such persons.

(v) In *Satyam Infoway Ltd. Vs. Sifynet Solutions Pvt. Ltd.*, , where the domain names [www.sifynet](http://www.sifynet.com), [www.sifymall.com](http://www.sifymall.com), [www.sifyrealestate.com](http://www.sifyrealestate.com) of the appellant; and [www.siffynet.net](http://www.siffynet.net) and [www.siffynet.com](http://www.siffynet.com) of the respondent were in question, it was observed by the Supreme Court as under:

"16. The use of the same or similar domain name may lead to a diversion of users which could result from such users mistakenly accessing one domain name instead of another. This may occur in e-commerce with its rapid progress and instant (and theoretically limitless) accessibility to users and potential customers and particularly so in areas of specific overlap. Ordinary consumers/users seeking to locate the functions available under one domain name may be confused if they accidentally arrived at a different but similar web site which offers no such services. Such users could well conclude that the first domain name owner had mis-represented its goods or services through its promotional activities and the first domain owner would thereby lose their custom. It is apparent therefore that a domain name may have all the characteristics of a trademark and could found an action for passing off."

"29. Apart from the close visual similarity between "Sify" and "Siffy", there is phonetic similarity between the two names. The addition of "net" to "Siffy" does not detract from this similarity."

"31. What is also important is that the respondent admittedly adopted the mark after the appellant. The appellant is the prior user and has the right to debar the respondent from eating into the goodwill it may have built up in connection with the name."

(vi) In *Yahoo!, Inc. Vs. Akash Arora and Another*, , it was observed as under:

"11. In *Marks & Spencer Vs. One-in-a-Million*; reported in 1998 FSR 265, it was held that any person who deliberately registers a domain name on account of its similarity to the name, brand name or trademark of an unconnected commercial organisation must expect to find himself on the receiving end of an injunction to restrain the threat of passing off, and the injunction will be in terms which will

make the name commercially useless to the dealer. It was held in the said decision that the name "marks and spencer" could not have been chosen for any other reason than that it was associated with the well-known retailing group. The decision further goes on to say that where the value of a name consists solely in its resemblance to the name or trade mark of another enterprise, the Court will normally assume that the public is likely to be deceived, for why else would the defendants choose it? It was also said that someone seeking or coming upon a website called <http://marksandspencer.co.uk> would naturally assume that it was that of the plaintiffs. Thus, it is seen that although the word "services" may not find place in the expression used in Sections 27 and 29 of the Trade and Merchandise Marks Act, services rendered have come to be recognised for an action of passing off. Thus law of passing off is an action under the common law which also is given a statutory recognition in the Trade Mark Act. Thus in the context and light of the aforesaid decisions and the development in the concept of law of passing off, it is too late in the day to submit that passing off action cannot be maintained as against services as it could be maintained for goods.

12. The services of the plaintiff under the trademark/domain name "Yahoo!" have been widely publicised and written about globally. In an Internet service, a particular Internet site could be reached by anyone anywhere in the world who proposes to visit the said Internet site. With the advancement and progress in technology, services rendered in the Internet has also come to be recognised and accepted and are being given protection so as to protect such provider of service from passing off the services rendered by others as that of the Plaintiff. As a matter of fact in a matter where services rendered through the domain name in the Internet, a very alert vigil is necessary and a strict view is to be taken for its easy access and reach by anyone from any corner of the globe. There can be no two opinions that the two marks/domain names "Yahoo!" of the plaintiff and "Yahooindia" of the defendant are almost similar except for use of the suffix "India" in the latter. The degree of the similarity of the marks usually is vitally important and significant in an action for passing off for in such a case there is every possibility and likelihood of confusion and deception being caused. When both the domain names are considered, it is crystal clear that the two names being almost identical or similar in nature, there is every possibility of an Internet user being confused and deceived in believing that both the domain names belong to one common source and connection, although the two belong to two different concerns."

51. The only argument addressed by the learned counsel for the defendant is that generic domain names are available for registration on a first come first serve basis under the INDRP. Therefore, the plaintiffs' claim of registration of 100 or more domain names are an example of non exclusivity an attempt to buy each and every domain names available with the letters of these words. These words are open to the world for use and cannot be monopolized by anyone being dictionary words and directly referring to the product for use. The said submissions have no force in view of settled law. The Supreme Court in the case

of Laxmikant V. Patel Vs. Chetanbhat Shah and Another, in the relevant para 10 held as under:-

"The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that his goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury."

In this case, the Apex Court further observed that:

"Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently."

52. In a similar situation, this Court in the case of Info Edge (India) Pvt. Ltd. and Another Vs. Shailesh Gupta and Another, where the plaintiff was carrying business under the domain name "Naukri.com" and the defendant had begun to use a domain name "Naukri.com", held that if two contesting parties are involved in the same area, then there is a grave and immense possibility for confusion and deception and both the marks were deceptively similar. While granting a temporary injunction in favour of the plaintiff, the Court observed as under:

"27. The defendant has employed minor mis-spelling of the plaintiff's mark, although it has another such mark available to it, which is also a registered domain name. Therefore, the said action indicates and establishes dishonest intention on the part of the defendant. That appears to have been done with bad faith in order to gain advantage of spelling error made by the internet user while attempting to enter into the plaintiff's internet address on their web-browser. The very purpose of having two registered domain names by the defendant only establishes the dishonest intention and bad faith on the part of the defendant. The real intention behind registering the domain names for the same purpose, of which one is deceptively similar to the domain name of the plaintiff, is to attract or induce the internet user to come to the website of the defendant first by mis-spelling the plaintiff's mark and domain name and, thereafter, taking the said internet user to the domain name of the defendant, which is jobsourceindia.com. The defendant's choice of slightly mis-spelt version of the plaintiff's domain name was deliberate in order to suit the business activities of the defendant and for the purpose of diverting traffic of the internet users to websites unrelated to the plaintiff. The traffic of the internet users to the plaintiff's domain name is sought to be diverted to the domain name and website of the defendant by confusing the internet users as to sponsorship or affiliation with a website that defendant operates for commercial gain. Such intention is deceitful and

dishonest, apart from being an action on bad faith."

"29. Both the domain names "Naukri.com" of the plaintiff and "Naukri.Com" of the defendant, depicting the nature and type of business activity they carry on are identical or confusingly similar trade mark or service marks. It is also a possibility for an internet user while searching for the website of the plaintiff to enter into the website of the defendant through only a small mis-spelling of the domain name and, in fact, such incident has occurred in the case of the plaintiff itself vis-?-vis the defendant in proof of which a documents is also placed on record. Such diversion of traffic with the sole intention of ulterior gain in the similar business activity by a competitor, requires protection. A court discharging equitable justice should come in aid and for protection of the honest user as opposed to a dishonest user acting on bad faith.

30. The website using the domain name, similar to that of the plaintiff, for commercial purposes, would lead to an inference that the domain name was chosen intentionally to attract internet users of the plaintiff. This is also established in view of the minor spelling variant to a well-known mark, without any Explanation and the same definitely creates a prima facie inference of bad faith within the meaning of paragraph 4(b)(iv) to the aforesaid Policy, which was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN), on August 26, 1999."

53. As far as use of logo is concerned, the plaintiffs have no objection if the mark/name and corporate name of WORLD BOOK is added or used. With regard to the argument of the defendant that various books, seminars, fairs and events have been happening for the last many decades under the name WORLD BOOK, the plaintiffs appear to have raised no grievance. The main case of the plaintiffs is that the defendant is not entitled to use the trade name/trademark WORLD BOOK as part of defendant's corporate name or trade name. The defendant's entitlement to use other corporate name with different brand name cannot be denied if the defendant would join any book fair or seminar under different corporate name and trademark.

54. The plaintiffs' objection in the present case is with respect to the use of the mark WORLD BOOK by the Defendant as a trade name/mark and/or domain name. The logo of the Defendant contained the trade mark/trade name WORLD BOOK of the Plaintiffs.

The defendant has no right to use the trade mark/trade name of the plaintiffs in any form whatsoever. The use of the domain name WORLDBOOKCOMPANY. IN on the part of the defendant is also likely to cause confusion and deception in the mind of unwary class of customers. The business of the Plaintiffs' is likely to be diverted to the defendant on account of features of the domain which contain the mark of the Plaintiff.

55. The plaintiffs' mark WORLD BOOK in the present case is highly distinctive; it has acquired residual goodwill and reputation. It is a registered trademark.

Hence, mere defences raised by the defendant are moonshine and flimsy which are against the law.

56. In view of the above facts, circumstances and the evidence filed on record, the plaintiffs establish a prima facie case for the confirmation of the ex-parte order of interim injunction. The balance of convenience also lies in favour of the plaintiffs and against the defendant, if the interim order is not continued, the plaintiffs would suffer loss and irreparable injury. On the other hand, the defendant is also under injunction for the last more than one year and four months. Their adoption of the name is not honest.

57. Consequently, the defendant's application under Order XXXIX Rule 4 CPC is dismissed. I.A. No. 8971/2013 filed by the plaintiffs is allowed. The interim order passed on 27th May, 2013 is confirmed.

58. When the matter was taken up, no arguments were addressed by either of the parties on application bearing I.A. No. 12459/2014. Having gone through the contents of the application, there is no merit in the same. The same is dismissed accordingly.