

MANU/DE/2271/2008

**Equivalent Citation:** 2008(38)PTC49(Del)**IN THE HIGH COURT OF DELHI**

FAO (OS) 82 of 2008

Decided On: 04.07.2008

Appellants: **Shri Pankaj Goel**  
**Vs.**Respondent: **Dabur India Ltd.****Hon'ble Judges/Coram:**

Manmohan Sarin and Manmohan, JJ.

**Counsels:**

For Appellant/Petitioner/plaintiff: Arun Jaitley and Rajiv Nayyar, Sr. Advs., Pratibha M. Singh, Sanjeev Singh and Y.K. Gupta, Advs.

For Respondents/Defendant: A.M. Singhvi and Sudhir Chandra Aggarwal, Sr. Advs., Hemant Singh and Mamta Rani Jha, Advs.

**Subject: Intellectual Property Rights****Acts/Rules/Orders:**

Trade Marks Act, 1999 - Section 2, Trade Marks Act, 1999 - Section 17, Trade Marks Act, 1999 - Section 27(2), Trade Marks Act, 1999 - Section 28(3)

**Cases Referred:**

B.L. & Co. and Ors. v. Pfizer Products INCL. MANU/DE/0702/2001 : 93 (2001) DLT 346; Automatic Electric Limited v. R.K. Dhawan 1999 PTC (19) 81; Amritdhara Pharmacy v. Satya Deo Gupta MANU/SC/0256/1962 : AIR 1963 SC 449; Gujarat Bottling v. Coca Cola Co. MANU/SC/0472/1995 : AIR 1995 SC 2372; A. Venkatasubiah Naidu v. Chellappan MANU/SC/0581/2000 : AIR 2000 SC 3032; N.R. Dongre v. Whirlpool Corporation MANU/DE/0461/1984 : AIR 1985 Delhi 300 : 1996 (5) SCC 744; B.K. Engineering Complaint v. U.B.H.I. Enterprises (Registered) MANU/DE/0404/1984 : AIR 1985 Delhi 210; Laxmikant V. Patel v. Chetan Bhat Shah MANU/SC/0763/2001 : 2002 (24) PTC 1 (SC); National Bell v. Metal Goods AIR 1971 SC 898; Express Bottlers Services Pvt. Ltd. v. Pepsi Inc. and Ors. 1989 (7) PTC 14; Dr. Reddy Laboratories v. Reddy Paharmaceuticals 2004 (29) PTC 435; Century Traders v. Roshan Lal Duggar and Co. MANU/DE/0153/1977 : AIR 1978 Delhi 250; Castrol Limited v. A.K. Mehta 1997 PTC (17) 408; Prakash Roadline v. Prakash Parcel Service 1992 (2) ALR 174

**Citing Reference:**

Discussed		10
Mentioned		4

**Disposition:**

Appeal dismissed

**Case Note:**

**Intellectual Property Right - Infringement - Section 27(2) of Trade Marks Act, 1999 - Trial Court passed ex-parte injunction order against Appellant/Defendant and restrained it from using particular mark in respect of digestive tablets manufactured and sold by it - Hence, this Appeal - Whether, order of Trial Court was justified - Held, Appellant's and Respondent/ plaintiff's mark were not only similar but their products were identical and were purchased by same class of customers - Further, Appellant's subsequent adoption of similar mark seems prima facie dishonest and no amount of user could cure it - Further, Appellant had not been able to prima facie prove that said 'infringers' had significant business turnover or they posed a threat to plaintiff's distinctiveness and use of similar marks by third party could not be defense to illegal act of passing off - Therefore, if injunction granted by this Court was not continued, use of same mark by Appellant was likely to deceive public at large - Appeal dismissed.**

**Ratio Decidendi:**

**"Appeal lies against ex-parte injunction only in such cases where Judge does not give any reason for**

**JUDGMENT****Manmohan, J.**

1. The present appeal has been filed against the ex-parte injunction order dated 20th December, 2007 passed by the learned Single Judge. The trial court after holding that the plaintiff's/Respondent's Mark HAJMOLA was a well known mark under Section 2(zg) of the Trade Mark Act, 1999 held that the Defendant's mark RASMOLA for the same product was deceptively similar and likely to cause confusion in the minds of the customers of these products, especially children. Consequently, by virtue of the impugned order, the learned Single Judge restrained the Appellant/Defendant from using the mark RASMOLA and in particular the suffix MOLA in respect of the digestive tablets manufactured and sold by it.

2. At the outset, we suggested to both the parties that we would request the learned Single Judge to expeditiously dispose of the injunction application, as any decision by us would deprive either of the party to a right of appeal. However, Mr. Arun Jaitley, learned Senior Counsel for Appellant submitted that as the learned Single Judge had not disposed of either the injunction application or the Appellant's application for vacation of injunction within thirty days, the present appeal was maintainable. In any event, both the parties requested this Court to dispose of the present appeal on merits. Consequently, with the consent of both the parties the present appeal is being taken up for disposal.

3. Mr. Arun Jaitley, learned Senior Counsel for the Appellant has contended that the Appellant has been using the mark RASMOLA for its product namely digestive tablets since 1989. He further contended that the Appellant's mark had been registered vide Certificate dated 3rd July, 1996. Consequently, Mr. Arun Jaitley submits that no suit for infringement is maintainable against the Appellant.

4. Mr. Arun Jaitley further contended that the suffix MOLA is not an invented word of the Respondent/plaintiff and the latter had no monopoly in the said word. In fact, according to the Appellant, the word MOLA is common to the trade as more than 25 trademarks are registered with the suffix MOLA. Mr. Arun Jaitley stated that variants of MOLA for digestive tablets are commonly available in the market.

5. According to the Appellant, the Respondent/plaintiff had obtained the impugned ex-parte injunction order by concealing and suppressing vital facts as well as by making misrepresentations before the learned Single Judge. It was contended that the Respondent/plaintiff had concealed the fact of filing of three earlier suits by it, against the user of marks SIDHMOLA, SATMOLA AND CHATMOLA being Suit No. 1644/1998, Suit No. 62/2006 and Suit No. 765/1993. In all the aforesaid three suits, the Respondent/plaintiff had got no relief and it subsequently compromised the suits by permitting those three parties to use the marks SIDHMOLA, SATMOLA AND CHATMOLA.

6. It was further contended that the Respondent/plaintiff's suit is hit by law of acquiescence and delay as the Respondent/plaintiff had knowledge of adoption of user of the mark RASMOLA for a long time. In this connection Appellant relied upon back to back advertisement of Appellant and Respondent's products on national TV channels like Star Gold, Set Max and Doordarshan in the years 2005 and 2006. It was further alleged that the Respondent/plaintiff had been aware of the user of the trade mark RASMOLA for a long time but despite their knowledge, they knowingly made misrepresentation in the plaint about the Appellant's adoption and user of the mark RASMOLA as of December, 2007. Learned Senior Counsel for Appellant referred to the cause of action paragraph in the plaint as well as the notice of opposition dated 25th July, 2007 to the Appellants trademark application which in turn explicitly stated that the Appellant had been using the mark since April 1993. In this connection the Appellant relied upon a judgment of Division Bench of this Court in B.L. & Co. and Ors. v. Pfizer Products INCL. reported in MANU/DE/0702/2001 : 93 (2001) DLT 346.

7. On the other hand, Dr. A.M. Singhvi and Mr. Sudhir Chandra Aggarwal, learned senior Counsel for Respondent/plaintiff contended that the Respondent/plaintiff's registered trade mark HAJMOLA is a coined and invented word. While part of the word HAJ is inspired by hajma which means digestion, the other part namely MOLA means nothing. Consequently, it was contended that the word HAJMOLA is very distinctive and the Respondent/plaintiffs were entitled to highest protection in the said mark.

8. The Respondent/plaintiff further submitted that admittedly it was the prior user of the registered trade mark HAJMOLA and its usage dates back to 1972. It was contended that in 1989 when the Appellant is alleged to have first adopted the mark RASMOLA, the Respondent/plaintiff already had a turnover of Rs. 8.50 crores in HAJMOLA products and its advertisement budget was Rs. 50.9 lakhs. According to the Respondent/plaintiff its annual sales turnover of HAJMOLA in 2007 was about Rs. 74 crores. It was, therefore submitted that the Respondent/plaintiff's mark was already a well known mark.

9. It was further submitted that the Appellant's adoption of a similar mark was dishonest and no amount of user could cure it. According to Respondent/plaintiff an illegitimate adoption cannot be rectified or cured by a registration as it is a prior use which confers proprietary rights and dishonest adoption confers no right.

10. According to Respondent/plaintiff, Appellant's registration of its trademark RASMOLA was of no defence

manupatra as the registration was for the whole of label/device mark and not the word RASMOLA. Learned Counsel for the Respondent/plaintiff submitted that in view of Section 17 of the Trade Marks Act, 1999 no exclusivity or statutory right can be claimed by the Appellant in the word/mark on account of device mark registration. Learned Senior Counsel further submitted that in view of Section 27(2) of the Trade Mark Act, 1999 registration does not, in any event, affect a passing off action.

11. Learned Senior Counsel for the Respondent/plaintiff further contended that except the Appellant claiming in the registration certificate that it was using the mark since 1989 there was no document on record to show any sale of RASMOLA product in the year 1989. According to them the only evidence of use of the mark RASMOLA by the Appellant is 2004 as invoices prior to 2004, pertain to predecessor-in-business of the Appellant who is claimed to have assigned the registered trademark; but there was no deed of assignment on record stating that goodwill had also been assigned to the Appellant. According to the Respondent/plaintiff in the absence of an assignment deed, the Appellant cannot claim benefit of the alleged stray use of the mark RASMOLA by Appellant's predecessor-in-interest. The Respondent/plaintiff further stated that the sales figures of RASMOLA, as claimed in the appeal, were actually the sum total of sales of 11 products of the Appellant as reflected in the balance sheet at pages 216 to 230 of the Paper Book.

12. As far as back to back advertisement of Appellant and Respondent/plaintiff products are concerned, the Respondent/plaintiff stated that there are 419 TV channels on which 34,27,000 TV commercials are telecast each month. It was pointed out that Respondent/plaintiff itself had 450 products out of which 72 products are exclusively advertised on 129 TV channels. According to Respondent/plaintiff there are 20,000 TV ads in a month of Respondent/plaintiff itself on 129 TV channels and therefore, it was not possible for any company, including the Respondent/plaintiff, to monitor TV commercials on all the TV channels. Consequently, it was contended that no knowledge can be attributed to the Respondent/plaintiff of any TV commercial of the Appellant. In this connection the Respondent/plaintiff relied upon a judgment/order of this Court in Automatic Electric Limited v. R.K. Dhawan reported in 1999 PTC (19) 81.

13. As far as the mark SATMOLA having been allowed by the Respondent/plaintiff is concerned, it was stated that the same was by way of a settlement in Suit No. 62/2006 filed before this Court. The reason given for settlement was acquiescence, as though the Respondent/plaintiff had issued a legal notice to SSG Pharma in 1984 but inadvertently it never followed it up till 2006 when the said suit was filed. In any event it was submitted that Section 28(3) of the Trade Marks Act, 1999 permits more than one proprietor of deceptively similar trademarks. It was also pointed out that the Respondent/plaintiff has filed 14 oppositions and issued 14 cease and desist notices to various users of the suffix MOLA and in fact the Respondent had even received four undertakings. It was further submitted that the Appellant had failed to establish substantial commercial use of the suffix MOLA in the trade, failing which their plea of common to trade must fail. In any event, it was contended that infringement of Respondent/plaintiff's mark as pointed out by the Appellant were insignificant and the Respondent/plaintiff had not abandoned its mark but were taking steps to protect the same. It was also submitted that use of a similar mark by others, in any event, could not be any defence to an illegal act of passing off.

14. According to the Respondent/plaintiff there was no cogent evidence to establish that the Respondent/plaintiff knew about the infringing activities of the Appellant and took positive steps to encourage it. Consequently, it was submitted that plea of acquiescence or delay must fail. Even otherwise it was submitted that delay or laches would be no defence to grant of an interim injunction against the unlawful use of Respondent/plaintiff's registered trademark HAJMOLA.

15. It was further submitted by the Respondent/plaintiff that it was entitled to the interim injunction as the use of mark RASMOLA by the Appellant is likely to cause confusion or deception with the Respondent/plaintiff's mark HAJMOLA. Such use, according to it, constitutes infringement as well as passing off. In this connection learned Senior Counsel for Appellant relied upon a judgment of Supreme Court in Amritdhara Pharmacy v. Satya Deo Gupta reported in MANU/SC/0256/1962 : AIR 1963 SC 449.

16. It was further contended that the balance of convenience was entirely in the Respondent/plaintiff's favour and further no injury would be caused to the Appellant if the impugned interim injunction was continued as the Appellant had 11 digestive tablets products selling under different marks like RASGOLI, RASMOLI and RASWALI and the Appellant was free to sell its products under those trademarks. It was further contended that the Appellant had already been enjoined from manufacturing and selling products under the mark RASMOLA in the impugned packaging by District Judge, Muzaffarpur vide order dated 19th October, 2005 in Suit No. 01/2005 filed by SSG Pharma, user of the mark SATMOLA. It was further contended by the Respondent/plaintiff that since the Appellant was guilty of concealment and misrepresentation, it was not entitled to seek any equitable relief from this Court. In this connection Respondent/plaintiff relied upon a judgment of Supreme Court in Gujarat Bottling v. Coca Cola Co. reported in MANU/SC/0472/1995 : AIR 1995 SC 2372.

17. In our view, an appeal against an ex-parte injunction lies only in such cases where the Single Judge does not dispose of the application within thirty days, without assigning any reason. However, in the present case, the Appellant itself was not present when its application for vacation of injunction was taken up for hearing. In any event, the learned Single Judge could not dispose of the injunction application due to heavy workload and paucity of time. Even the Supreme Court in A. Venkatasubiah Naidu v. Chellappan reported in

MANU/SC/0581/2000 : AIR 2000 SC 3032 has held that an appeal lies against ex-parte injunction only in such cases where the learned Single Judge does not give any reason for not disposing the appeal within thirty days. Consequently, as the learned Single Judge had given reason for not disposing of the injunction application as well as application under Order 39 Rule 4, within thirty days, the said injunction is not liable to be interfered on the short ground, as claimed by the Appellant, that the said applications had not been disposed of within thirty days.

18. According to us registration of RASMOLA by the Defendant/Appellant offers no complete defence to it. Even Kerly in his treatise the 'Trade Marks and Trade Names', has stated that passing off action can succeed on the same evidence where trademark action has failed. According to Kerly, the Trade Mark Act affords no bar to a passing off action. In fact, this concept has been statutory incorporated in India by virtue of Section 27(2) of the Trade Marks Act, 1999. Section 27(2) clearly stipulates "nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person or the remedies in respect thereof." A Division Bench of this Court in N.R. Dongre v. Whirlpool Corporation reported in MANU/DE/0461/1984 : AIR 1985 Delhi 300 had on the ground of passing off, even enjoined a registered proprietor of a trademark from using the same mark. The said judgment was upheld by the Supreme Court in N.R. Dongre v. Whirlpool Corporation reported in 1996 5 SCC 744.

19. The Supreme Court in the case of AMRITDHARA PHARMACY referred to hereinabove, held the mark AMRITDHARA to be deceptively similar to the mark LAXMANDHARA. The Apex Court in the said Judgment further stipulated that the issue was to be examined by applying the test of an unwary purchaser having average intelligence and imperfect recollection. The Supreme Court in the said case held that even though a critical comparison of the two names may disclose some points of differences, yet an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two products.

20. We find in the present case the Appellant's and Respondent/ plaintiff's mark are not only similar but their products are identical and are purchased by the same class of customers and the said goods are sold through the same trading channel. In our view the trinity of factors makes for a case for confusion and consequently for passing off. Appellant's subsequent adoption of a similar mark seems prima facie dishonest and no amount of user can cure it. In case the injunction as granted by this Court is not continued, the use of the same mark by the Appellant is likely to deceive the public at large.

21. In B.K. Engineering Complaint v. U.B.H.I. Enterprises (Registered) reported in MANU/DE/0404/1984 : AIR 1985 Delhi 210, a Division Bench of this Court has held that trading must not only be honest but must not even unintentionally be unfair. In Laxmikant V. Patel v. Chetan Bhat Shah reported in MANU/SC/0763/2001 : 2002 (24) PTC 1 (SC), the Apex Court has held that where there is probability even in business, an injunction will be granted even though the defendants adopted the name innocently.

22. As far as the Appellant's argument that the word MOLA is common to the trade and that variants of MOLA are available in the market, we find that the Appellant has not been able to prima facie prove that the said 'infringers' had significant business turnover or they posed a threat to plaintiff's distinctiveness. In fact, we are of the view that the Respondent/plaintiff is not expected to sue all small type infringers who may not be affecting Respondent/plaintiff business. The Supreme Court in National Bell v. Metal Goods reported in AIR 1971 SC 898 has held that a proprietor of a trademark need not take action against infringement which do not cause prejudice to its distinctiveness. In Express Bottlers Services Pvt. Ltd. v. Pepsi Inc. and Ors. reported in 1989 (7) PTC 14 it has been held as under:

...To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks.... The mere use of the name is irrelevant because a registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence.... Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This Court is inclined to accept the submissions of the respondent No. 1 on this point.... The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers....

In fact, in Dr. Reddy Laboratories v. Reddy Pharmaceuticals reported in 2004 (29) PTC 435 a Single Judge of this Court has held as under:

...the owners of trade marks or copy rights are not expected to run after every infringer and thereby remain involved in litigation at the cost of their business time. If the impugned infringement is too trivial or insignificant and is not capable of harming their business

interests, they may overlook and ignore petty violations till they assume alarming proportions. If a road side Dhaba puts up a board of "Taj Hotel", the owners of Taj Group are not expected to swing into action and raise objections forthwith. They can wait till the time the user of their name starts harming their business interest and starts misleading and confusing their customers.

23. The Appellant's other argument that the Respondent/plaintiff has itself permitted the use of the mark SIDHMOLA, SATMOLA AND CHATMOLA, does not impress us. A private settlement executed by the Respondent/plaintiff cannot offer a licence to the world at large to infringe its mark HAJMOLA. Even otherwise we are of the view that use of similar marks by a third party cannot be a defence to an illegal act of passing off. In *Century Traders v. Roshan Lal Duggar and Co.* reported in MANU/DE/0153/1977 : AIR 1978 Delhi 250 a Division Bench of this Court has held as under:

Thus the law is pretty well settled that in order to succeed at this stage the appellant had to establish user of the aforesaid mark prior in point of time than the impugned user by the respondents.

In fact, in *Castrol Limited v. A.K. Mehta* reported in 1997 PTC (17) 408 DB it has been held that a concession given in one case does not mean that other parties are entitled to use the same. Also in *Prakash Roadline v. Prakash Parcel Service* reported 1992 (2) Arbitration Law Reporter 174 it has been held that use of a similar mark by a third party in violation of plaintiff's right is no defence.

24. In the present case we also do not find that Respondent/plaintiff's suit is either barred by delay or laches or acquiescence. In fact, from the documents on record, specially at pages 217, 352 and 361 in Paper Book, we find that the Appellant's sales under the mark RASMOLA till the year 2004 were rather insignificant. Even in the cause of action paragraph the Respondent/plaintiff has averred that though it had filed a notice of opposition dated 25th July, 2007, yet it did not find the Appellant's goods in the market till the first week of December 2007. Consequently, at this stage we cannot draw the inference that the present suit is barred by delay or laches. In any event, passing off is a recurring cause of action and delay being a defence in equity would not be available if the Defendant's conduct is fraudulent - as is in the present case. Consequently in the present facts, delay and so called concurrent use, if any, cannot be a ground for refusing interim injunction.

25. As far as back to back advertisement is concerned, we are of the opinion that keeping in view the Respondent/plaintiff's advertisement budget and the scale of advertisement carried out by the Respondent/plaintiff it would be difficult for us to presume at this stage, by a few isolated incidents that the Respondent/plaintiff was aware of the Appellant's product since 2005. In fact, in *AUTOMATIC ELECTRIC LIMITED* referred to hereinabove it has been held by this Court that publication of Defendant's advertisement in the same magazine by itself is not sufficient to infer plaintiff's awareness of use of a similar mark.

26. Consequently, the present appeal being devoid of merits is dismissed. The parties are left to bear their own costs. However, keeping in view the facts of the case we request the learned Single Judge to expeditiously dispose of the present suit preferably within six months from today. Needless to mention, that the observations made are on a prima facie view of matter and would not prejudice either of the parties at the time of trial of the present suit.