

MANU/DE/1202/2010

Equivalent Citation: 171(2010)DLT16, 2010(44)PTC381(Del)

IN THE HIGH COURT OF DELHI

IA No. 3646/2010 in CS (OS) 514/2010

Decided On: 31.05.2010

Appellants: **Stokely Van Camp, Inc. and Anr.**
Vs.

Respondent: **Heinz India Private Limited**

Hon'ble Judges/Coram:

Rajiv Shakdher, J.

Counsel:

For Appellant/Petitioner/plaintiff: Maninder Singh, Sr. Adv., Pratibha M. Singh, Jaspreet Singh Kapur and Saya Chaudhry, Adv.

For Respondents/Defendant: Sudhir Chandra, Sr. Adv., Anuradha Salhotra, Sumit Wadhwa and Bhavna Gandhi, Adv.

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Trade Marks Act, 1999 - Section 2, Trade Marks Act, 1999 - Section 9, Trade Marks Act, 1999 - Section 28, Trade Marks Act, 1999 - Section 29(2), Trade Marks Act, 1999 - Section 29(3), Trade Marks Act, 1999 - Section 30, Trade Marks Act, 1999 - Section 30(2), Trade Marks Act, 1999 - Section 31, Trade Marks Act, 1999 - Section 34, Trade Marks Act, 1999 - Section 35, Trade Marks Act, 1999 - Section 124, Trade Marks Act, 1999 - Section 124(1), Trade Marks Act, 1999 - Section 124(5); Copyright Act, 1957 - Section 13; Prevention of Food Adulteration Rules, 1955 ; Trade Mark and Merchandise Marks Act, 1958

Cases Referred:

Marico Limited v. Agro Tech Foods Limited in IA No. 11037/2009 & IA No. 11538/2009 in CS(OS) No. 1590/2009; N.R. Dongre and Ors. v. Whirlpool Corp. and Anr. 1995 (34) DRJ; Biochem Pharmaceutical v. Biochem Synergy 1998 PTC (18) 267; Kores (India) Ltd v. Whale Stationery Products 2008 (36) PTC 463; Begum Sabiha Sultan v. Nawab Mohd. Mansur Ali Khan and Ors. (2007) 4 SCC 343; Oilowenbrau AG and Anr. v. Jagpin Breweries Limited and Anr: 157 (2009) DLT 791; Rhizome Distilleries Pvt. Ltd. and Ors. v. Pernod Ricard S.A. France and Ors. 166 (2010) DLT 12; Proctor & Gamble v. Office of Harmonisation in the International Market (OHIM) (2002) RPC 17; Hindustan Embroidery Mills Pvt Ltd v. K Ravindra & Co PTC (Suppl) (2) 666 (Bom); Poddar Tyres Ltd v. Bedrock Sales Corp AIR 1993 Bom 237; Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd. 2002 (24) PTC 121 (SC); Pankaj Goel v. Dabur India Ltd. 2008 (38) PTC 49 (Del); Health & Glow Retailing Pvt. Ltd. v. Dhiren Krishna Paul, Trading as Health and Glow Clinic and Anr. 2007 (35) PTC 474 (Mad); Info Edge (India) Pvt. Ltd and Anr. v. Shailesh Gupta and Anr. 2002 (24) PTC 355 (Del.); Reckitt & Coleman Products Ltd. v. Borden Inc and Ors. 1990 1 All E.R. 873; Reddaway v. Banham (1896) AC 199

Citing Reference:

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Case Note:

Intellectual Property Rights - Deceptive similarity - Section 29 of Trade Marks Act, 1999 - plaintiffs sought to monopolize and protect their rights in relation to a sports drink manufactured and sold by it- Hence this Petition - Whether expression used by Defendant was deceptively similar to that of plaintiff - Held, words used by plaintiff and Defendant were commonly used to describe character, quality and attributes of an Isotonic drink - In case of sports drink or energy drink, use of such like words or expressions which were akin to plaintiffs' mark were not only common but necessary to describe characteristics or attributes of product - Therefore, if expression which was registered or similar to same, was used to describe character of product then, user could not be guilty of infringement - There was no evidence in form of consumer survey or otherwise which showed that

registered mark had achieved trade mark significance - Mere use of mark alone did not necessarily translate in mark - Thus, expression was distinctive of plaintiff's product - Hence, mere proof by plaintiff that Defendant was using a name, word, or device which he had adopted to distinguish his goods could not entitle him to any relief - Petition dismissed.

Ratio Decidendi:

"No person can be held liable for use of similar words or an expression, to describe character of product unless it is proved that it is deceptively similar."

Disposition:

Application dismissed

JUDGMENT

Rajiv Shakhder, J.

1. This case is a classic specimen of what corporate fights are all about and how they are increasingly going to turn commercially ugly in days to come. Ergo, if on the one hand one Multi National Company (in short 'MNC') wants to monopolize a resource whether it is natural or that which pertains to the realm of English language, the other asserts its right to bring it within the public domain, not for any altruistic reason but for its own private interest. Perhaps from the point of view of corporate entities, there is nothing wrong with this except that sometimes the shoe is on the other foot. The court of course has to decide the matter purely based on its understanding of the legal position.

2. The plaintiffs in this case seek to monopolize and protect their rights to the expression "Rehydrate Replenish RefueF in relation to a sports drink "Gatorade" manufactured and sold by it. The defendant, on the other hand, who has also been in business for several decades in India is using, and is desirous of continuing the use of the expression "Rehydrates Fluids; Replenishes Vital Salts; Recharges Glucose" in relation to its product "Glucon D Isotonik". The plaintiffs have impugned this action of the defendant on the ground that it violates its statutory and common law rights. The defendant, of course, contends to the contrary.

3. It is, therefore, necessary to first notice briefly the case set up by each of the parties in the pleadings.

plaintiff'S CASE

4. plaintiff No. 1 is described as a corporation existing under the laws of United States of America. It is averred that plaintiff No. 1 is one of the group companies of PepsiCo, Inc., a corporation existing under the laws of United States of America having its principal office in New York, U.S.A. plaintiff No. 2, on the other hand, is a company incorporated under the laws of India, and is claimed to be a 100% subsidiary of Pepsico, Inc, U.S.A.

4.1 It is averred that plaintiff No. 1 coined the expression "Rehydrate Replenish Refuel" in the year 2002, and that the said expression was put to use in U.S.A in the year 2003. plaintiff No. 1 is the registered proprietor of the said expression which relates back to 2003. It is also averred that the said expression has been used in India since 2004, which is when its sports drink "Gatorade" was first launched in India. The product "Gatorade" is sold in "ready to drink" bottles of 500 ml. It is averred that the defendant has been selling its product "Glucon-D Isotonik" in the form of powder, which is packaged in sachets, as also in bottles in "ready to drink" bottles of 500 ml variants; though as averred in the plaint, the same are not readily found by the plaintiffs, as they were only available in the select markets. It is claimed that plaintiff No. 1 is a world leader in snacks, foods and beverages having presence in nearly 200 countries across the globe. Pepsico Inc, which is the matriach of the family so to speak, manufactures and sells its products under various popular brands such as Pepsi, Mountain Dew, Tropicana, Aquafina, Ruffles, Quaker, Gatorade, Lays, Kurkure etc. It is claimed that it has subsidiaries across the world, and has work force of about 2,85,000 employees with revenues of \$60 billion.

4.2 plaintiff No. 2 which got incorporated in India, only in 1989 is stated to have become a leading food and beverages entity. It is also averred that plaintiff No. 2 sells products, such as Pepsi, 7 Up, Nimbooz, Mirinda and Mountain Dew, Aquafina (drinking water), Gatorade sports drinks, Tropicana Fruit Juices and Tropicana Twister and slice juice drink beverages apart from local brands such as Lehar Soda, Dukes Lemonage and Mangola. plaintiff No. 2 is, as claimed, a permitted user of the mark/expression "Rehydrate Replenish Refuel". It is averred that plaintiff No. 1 which is the registered proprietor of the aforesaid mark/expression has not only used it in India, but also in other countries, such as U.S.A, UK, France, Germany, Greece, Spain Italy, Poland, Portugal, Ireland, Swedan, Austria, Denmark, Hungary, Mexico, Japan, Singapore, Israel etc. There is also reference to various registrations acquired by the plaintiffs in some of the countries, the details of which are set out in Paragraph 7 of the plaint. The registrations are in Class 32 except in respect of countries falling in the European Union where registrations are, in addition, in Class 25 and 30 as well. The plaintiffs claim that due to extensive use of the said mark/expression, which is also, referred to as a tag line and/or slogan, it has acquired a secondary meaning of its own, which is associated exclusively with the plaintiffs. It is also claimed that the said registered mark/expression is a well known mark within the meaning of Section 2(zg) of the Trade Marks Act, 1999 (hereinafter referred to in short as the 'T.M. Act, 1999').

manupatra 4.3 A brief background is given in the plaint, as to how the plaintiffs developed the mark/brand "Gatorade". It is the plaintiffs' claim that the sports drink manufactured and sold by them under the mark "Gatorade" was first developed in 1965 by a team of researchers in Florida led by Dr. Robert Cade. It is averred that the said team formulated a "non-carbonated" balanced "carbohydrate-electrolyte" beverage drink for the players of the football team of University of Florida, who played under the banner "The Gators", and, therefore, the drink acquired the name "Gatorade". The rights under the mark "Gatorade" were acquired by plaintiff No. 1 from Dr Robert Cade. It is stated that the product "Gatorade" was introduced in India in 2004, and since then, it has acquired a wide reputation and acceptability. There is also a reference to the sales turnover of its sports drink "Gatorade" in India for the period 2007 to 2009. In 2007, the plaintiffs reportedly achieved a turnover of Rs 6.20 crores which in 2008 is said to have gone up to Rs 8 crores. In 2009, however, the turnover seems to have dipped to Rs 6.7 crores. There is also a reference to the advertisement spends of the plaintiffs between 2005 and 2009. From an advertisement expense of Rs 40 lacs incurred in 2005, the annual expenditure which went up to Rs 5.20 crores in 2007 only to come down to Rs 2 crores in 2008, and then again go up to Rs 2.70 crores in 2009.

4.4 It is alleged that the defendant, which is using a deceptively similar expression, that is, "Rehydrates Replenishes Recharges" in respect of its energy drink Glucon-D Isotonik, has launched the product only in February, 2010. It is further alleged that the said expression has not only, a deceptive similarity to the plaintiffs' mark/expression, but is also depicted in the same manner on the packaging and promotional material of the defendant, as it appears on the packaging and promotional material of the plaintiffs. The allegation is that even the trade dress, get up and overall appearance is such that an average consumer is likely to associate the origin of the defendant's drink to that of the plaintiffs.

4.5 In the background of these broad allegations, it is alleged that the impugned actions of the defendant has resulted in infringement of plaintiffs' trade mark as well as copyright; which the plaintiff termed as their original literary work within the meaning of Section 13 of the Copyright Act, 1957 (hereinafter referred to as 'the Copyright Act'). It is also averred that the actions of the defendant have the potential of diluting the plaintiffs' trade mark. The defendant by its impugned action, it is alleged, has, therefore, committed a tort of passing off, and has indulged in unfair competition with a sole and deliberate objective of making illegal gains at the cost of the hard earned goodwill and reputation acquired by its registered mark "Rehydrate Replenish Refuel" .

DEFENDANT'S CASE

5. The defendant, on the other hand, has refuted the case set up by the plaintiffs. The grounds of rebuttal are briefly as follows:

(i) the plaintiffs are seeking protection of a mark which is not used, even by the plaintiffs, as a trade mark. The plaintiffs' trade mark is "Gatorade". Similarly, the defendant's mark is "Glucon-D Isotonik". The expression which the defendant uses for its product "Rehydrates fluids; Replenishes vital salts; Recharges glucose"; is used in a descriptive sense and not as a trade mark;

(ii) the expression of which the plaintiffs seek protection of, is not a trade mark, within the meaning of Section 2(zd) as it is incapable of distinguishing the origin of the goods which the plaintiffs manufacture and sell;

(iii) the plaintiffs' mark is descriptive of the kind, quality and characteristics of the goods and, therefore, should not have, in the first place, been registered under Section 9 of the T.M. Act, 1999. These are expressions which are commonly used in English language as well as in the trade related to the sports drinks;

(iv) the expression used by the defendant falls within the ambit of the provisions of Section 30(2) of the T.M. Act, 1999 as it indicates the kind, quality, intended purpose, and the value and characteristics of the defendant's goods;

(v) since the expression used by the defendant is a bonafide description of the character and quality of its own goods, the use of the said expression by the defendant is protected under Section 35 of the T.M. Act, 1999. There is no case made out of passing off, as a bare perusal of both the expression used by the defendant and the label would show that there is no possibility of any confusion whatsoever in the minds of the consumers, so as to associate the defendant's product with that of the plaintiffs;

(vi) it is the plaintiffs who have cloned the defendant, in selling its product in powder form, in sachets; after the defendant had launched its product in ready to drink form all over the world including India. The defendant which is affiliated with H.J. Co. has been selling the energy drink under the trade mark "Glucon-D", in India, under the said mark which is registered since 1975;

(vii) H. J. Heinz Co. has a heritage of 140 years; and has been voted in a survey conducted by the University of Michigan as the most trusted brand for the tenth year in succession;

(viii) it enjoys in over 50 countries across the world either the first or the second largest market share. The defendant is the permitted user of the trade mark "Glucon-D" in India. The product "Glucon-D Isotonik" which was manufactured in January, 2010 has been put into the market in the States of Tamil Nadu and West Bengal since February, 2010. An Isotonic drink is essentially one which helps replenish vital salts, rehydrates and recharges the glucose in the body. For this purpose, the reliance is placed on the search made on the web in respect of Isotonic drinks where attributes of such drinks are generally highlighted;

(ix) the suit is bad in law for failure to join Heinz Italia S.P.A. - the entity which assigned the mark to the defendant in the first place Heinz Italia S.P.A. is also an affiliate of H.J. Heinz Co. The mark "Glucon-D" has been in use for over 75 years in India, and since 1994 by the defendant. Glucon-D is well known in India as an energy replenishing drink;

(x) The plaintiffs' mark/expression ought not to have been registered in the first place as there were grounds of refusal of the mark under Section 9 of the T.M. Act, 1999. The plaintiffs' registration is mischievous and fraudulent.

5.1 The defendant has also adverted to the sale figures for the past 10 years in respect of its trade mark "Glucon D" the details of which are set out in Paragraph 6 of the written statement. Between 2000 and till February, 2010 the defendant's turnover is shown as having increased from Rs 10679 lacs to Rs 17410 lacs. There is, however, the usual downward and upward curve in the sales in the intervening years. Specifically, in so far as the product in issue is concerned, i.e., "Glucon-D Isotonik". The sales in the year 2010 is stated to be Rs 48.3 lacs; while the advertising spend for "Glucon-D Isotonik" is claimed to be in the region of Rs 288.23 lacs.

5.2 The defendant has denied in sum and substance that it has violated the plaintiffs' statutory or common law rights as alleged or at all. As a matter of fact the defendant has submitted that the plaintiffs have no such right in the mark/expression "Rehydrate Replenish Refuel".

Submissions of Counsel

6. Based on the averments made in the plaint, the learned Counsel for the plaintiffs Ms Pratibha M Singh has laid stress on the fact that the expression used by the defendant to describe its product "Glucon-D Isotonik" is identical to or at least similar to the plaintiffs' registered mark/expression within the meaning of Section 29(2)(b) and (c), and hence, in consonance with the provisions of Sub-section 3 of Section 29, the Court shall presume that it is likely to cause confusion in the minds of the public. It is her contention that the Court shall presume as mandated under Section 31 of the T.M. Act, 1999 that the mark is prima facie valid. For this purpose, the learned Counsel relied on the provisions of Section 31 of the T.M. Act, 1999. It was next contended by Ms Pratibha M Singh that the usage of the impugned expression by the defendant was not bonafide. In this regard she stressed upon the fact that the plaintiffs had coined the mark/expression i.e., "Rehydrate, Replenish Refuel"-which had distinctive sound in as much as it involved repetition of the words "Re Re Re". This, she submitted, was both original and unique and, therefore, was entitled to a protection as original literary work. Furthermore, Ms Pratibha M Singh submitted that the manner in which the plaintiffs displayed its registered mark/expression had also been copied by the defendant. Thus, according to her the use of the impugned mark/expression was dishonest. The learned Counsel submitted that the plaintiffs have been manufacturing and selling its sports drink "Gatorade" in India since October, 2004, and the said product has a global sales of over USD 1 billion.

7. As against this, Mr Chandra who appears for the defendant submitted that there was neither an infringement of the plaintiffs registered trademark/expression nor was the defendant guilty of passing off, as alleged or at all. Mr Chandra stressed on the fact that in the instant case, there were sufficient grounds available to the Registrar under Section 9, Sub-section (1), Clauses (a), (b) and (c) of the T.M. Act, 1999 to refuse registration. The Registrar, according to him, ought to have refused registrations since the plaintiffs' mark uses expressions which are part of the "current language" or in any event describe the "characteristics" of the plaintiffs' product. It was contended by Mr Chandra that the Court while examining the case of the plaintiffs as to whether or not an interim injunction ought to be granted is not to be impeded by the fact that there is a registration obtained by the plaintiffs if, the Court is of the view that the registration ought not to have been granted in the first place. For this purpose, he drew my attention to the provisions of Sections 28, 30, 35 and Section 124 of the T.M. Act, 1999. A particular emphasis was laid by Mr Chandra on the provisions of Section 28 and Section 30(2) to contend that the registration of a mark and the rights which flows in favour of the registered proprietor of the mark under the T.M. Act, 1999 are not only "subject to other provisions of the Act" but also subject to the mark being "valid". For this purpose, emphasis was placed on the expression "subject to other provisions of the Act" and "if valid" found in Section 28 of the T.M. Act, 1999. Similarly, it is contended that the efficacy of registration is denuded in certain situations which are provided for in Section 30(2) of the T.M. Act, 1999. Briefly, under Section 30(2)(a) a registered mark is not infringed if its use, is made to indicate amongst others, the "characteristics of the goods". Similarly, it was contended that a proprietor or user of a registered mark cannot interfere in the use of the mark by any person to bonafidely describe the "character" or "quality of his goods"; a defence which is contemplated in Section 35 of the T.M. Act, 1999. In support of his submissions, Mr Chandra placed reliance on the judgment in the case of Marico Limited v. Agro

8. In the rejoinder Mr Maninder Singh, learned Senior Advocate while reiterating the submissions made in the opening, emphasized the point that, defence under Section 30(2)(a) was not available as that was limited to that description which is found on any packaged product where indicators relating to the ingredients of the product etc., are provided. Mr Singh contended that the placement of the impugned expressions in the front part of the packaging by itself revealed dishonesty of the intent on the part of the defendant. In this regard, the learned Counsel drew distinction with the product manufactured by another company, namely "Amway" which manufactures the product Nutrilite wherein, the expression similar to the one which was used by the plaintiffs was found as having been used on its brochures and not on the product. On brochure, the expression carried was "Refresh Replenish and sustain your work up". Mr Singh contended that the judgment of this Court in the case of Marico Limited was contrary to the following judgments:

- (i) Hindustan Embroidery Mills v. K Ravindra & Co. PTC (Suppl) 2666
- (ii) Poddar Tyres Ltd v. Bedrock Sales Corp. MANU/MH/0038/1993 : AIR 1993 Bom 237
- (iii) Biochem Pharmaceutical v. Biochem Synergy 1998 PTC (18) 267
- (iv) Kores (India) Ltd v. Whale Stationery Products 2008 (36) PTC 463

In addition reliance was placed on the following judgments:

- (i) Mahendra & Mahendra Paper Mills Limited v. Mahindra & Mahindra Limited 2002(24) PTC 121 (SC)
- (ii) Pankaj Goel v. Dabur India Limited 2008 (38) PTC 49
- (iii) Health & Glow Retailing v. Dhiren Paul 2007(35) PTC 474
- (iv) Info Edge (India) Private Limited v. Shailesh Gupta 2002 (24) PTC 355 (Del.)
- (v) Reckitt & Coleman v. Borden Inc. (1990) 1 All E R 873

9. In the instant case there is no dispute that both the plaintiffs as well as the defendant are in the business of manufacturing and selling energy drinks. The plaintiffs likes to emphasis that the product sold by it under the trade mark "Gatorade" is a sports energy drink. On the other hand, the defendant likes to describe its product as an energy drink. Both the plaintiffs and the defendant undoubtedly sell their products under their respective trademarks "Gatorade" and "Glucon-D" and have resultantly earned a substantial revenue.

Reasons

9.1 I have heard the learned Counsel on both sides as well as considered the documents placed on record. Given the background the first issue which arises for consideration in this case is that: in view of the fact that, the plaintiffs have obtained registration of the mark/expression "Rehydrate Replenish Refuel", could the Court firstly, go behind the registration at an interlocutory stage and secondly, examine the defence of the defendant in respect of the impugned mark used by it. It is submitted by the learned Counsel for the plaintiffs that the Court was required to accept prima facie, the validity of the registered mark/expression without more, at this stage and, grant the injunction sought for given the similarity of marks, the goods produced and also the similarity in profile of the consumers to which both, the plaintiffs and the defendants catered.

9.2 I tend to disagree with the aforestated proposition of law enunciated by the learned Counsel for plaintiffs. The reason being: if it was so, it would render the provisions of Section 30, 35 and 124 of the T.M. Act, 1999 quite meaningless. Since I had the occasion to deal with somewhat similar issue in the Marico's case, prolixity may well be avoided if I were to extract my observations in the said case:

15. CONCLUSIONS: On a consideration of submissions and the judgments:

- (i) The court can at an interlocutory stage take a prima facie view as to the validity of a registered trade mark. This view can be taken based on averments made in the written statement/ pleadings. [See Lowenbrau AG (supra)]. The pleadings in this regard, as in every other case, has to be read "meaningfully" (see Begum Sabiha Sultan v. Nawab Mohd. Mansur Ali Khan and Ors. MANU/SC/1970/2007 : (2007) 4 SCC 343)
- (ii) Some marks are inherently incapable of distinctiveness. [See Asian Paints Ltd (supra)]
- (iii) The rights under Section 28 are subject to other provisions of the Trade mark

Act. Also the registered proprietor or the permitted user can exercise his rights if the registered mark 'is valid'.

(iv) A descriptive mark can be registered provided it has acquired secondary meaning [See Ginar (supra)]

(v) If a descriptive mark is one, which is, essentially a combination of common English words the user of the marks has to bear the risk of, some amount of confusion. No monopoly can be claimed by the user of the mark. [See Cadila Health Care (supra) & J.R. Kapoor (supra)]

(vi) The mark can be impugned both at the stage of registration and post registration. See provisions of Section 9(1)(a) to (c) of the Trade Marks Act for challenge at time of registration and Section 30 and 35 for challenge after registration.

(vii) If the registered mark and the rival mark are not identical; in other words the two marks are similar then the same test as in the case of passing off is applicable; which is, is there a likelihood of deception or cause for confusion. [See Ruston and Hornby Ltd (supra)]

16. In view of the discussion above in my opinion the use of the expression by the defendant "LOW ABSORB" or "LOW ABSORB TECHNOLOGY" cannot be injuncted at this stage, since they are descriptive of the character or the quality of the defendant's goods unlike a trade mark which identifies the origin. . This defence is available even against registered mark under Sections 30(2)(a) and 35 of the Trade Marks Act. In the very least, this defence cannot be ruled out at the interlocutory stage. The use by the defendant cannot be said to be not bonafide since not only does it contain the additive which reduces oil absorption by food stuffs during the process of frying but the PFA Rules also recognize such an eventuality....

9.3 A similar view has been expressed by another Single Judge of this Court in the case Oilowenbrau AG and Anr. v. Jagpin Breweries Limited and Anr. MANU/DE/0022/2009 : 157 (2009) DLT 791.

9.4 In addition to above, in my view, the provisions of Section 124 of the TM Act, 1999 are a clear pointer to the fact that the Court while hearing an application for grant of interlocutory order can come to a prima facie view of the validity of the mark. Section 124(1)(i)(a) of the TM Act 1999 provides that in any suit for infringement of a trade mark the defendant pleads that the registration of the plaintiffs trade mark is invalid the court under Clause (i) of Sub-section (1) of Section 124 has the power to stay the suit till the disposal of the proceedings entered for rectification before the Registrar or Appellate Board are concluded. Where no proceedings are pending under Sub-clause (ii) of Sub-section (1) of Section 124 the Court an adjourn the suit for a period of three months from the date of framing of issues to enable the concerned party to apply to the Appellate Board for rectification of the Register provided it is satisfied that the plea regarding invalidity of the registered mark is prima facie tenable. Sub-section 5 of Section 124 of the TM Act, 1999 exemplifies the power to the court to make any interlocutory order notwithstanding the fact that the suit has been stayed. It is quite axiomatic where the Court comes to a prima facie view that the registration obtained is invalid, an injunction cannot follow.

9.5 In the instant case, similarly, in my opinion the registered mark/expression of the plaintiffs is prima facie suspect. The word(s) which form a part of the plaintiffs' registered mark are an intrinsic part of the "current language" commonly used in trade. What is persuaded me to come to this conclusion is the plethora of material placed on record which at least prima facie seems to suggest that these words are commonly used to describe the character, quality and attributes of an Isotonic drink. The defendant, as noticed hereinabove, has relied upon the advertisements by Nutrilite wherein, the brochure carries the words "Rehydrate, Replenish Refuel". Similarly, the website of UNAHCO, (which refers to a particular product prescribed for gamefowl; as a supplement, sold under the brand name electrogen D+) also uses the words and expressions similar to those used in the plaintiffs' mark. The advertisement is paraphrased in the following manner "maintains fighting cocks in top form by rehydrating, recharging, replenishing and refueling lost fluids, energy and electrolytes brought about by heat and stress". The argument of the plaintiffs' counsel that the manner in which it is displayed on the plaintiffs' product is what the plaintiffs have difficulty with, is: in my opinion, untenable in view of the provisions of Section 30(2)(a) and Section 35 of the T.M. Act, 1999. Once one were to come to the conclusion that the expression "Rehydrate Replenish Refuel" are commonly used in the trade which relates to energy drinks or supplements then it matters little where it is displayed on the product - as it prima facie establishes that the said words/expressions are commonly used in the trade to describe the characteristic of the goods in issue. In this context the defendant has referred to yet another product sold under the brand name "SOLGAR". The computer download shows the use of the words/expression "Rehydrate Re-energize". Similarly, there is also a reference to another sports drink "GRAPE" which on the packaging itself uses the expression "Recharge". There are several such examples. The reason evidently is that all of them claim to be "isotonic drinks" or "supplements". Typically, an isotonic solution is described in the World Book Medical Encyclopedia as "a solution of salts in water that closely resembles body's normal fluids in strength". The Web Dictionary, Wikipedia ascribes the following attributes to a sports drink.

...A Sport drink is a beverage designed to help athletes rehydrate, as well as restore electrolytes, carbohydrates, and other nutrients, which can be depleted after training or competition. Electrolyte replacement promotes proper rehydration, which is important in delaying the onset of fatigue during exercise. As the primary fuel utilized by exercising muscle, carbohydrates are important in maintaining exercise and sport performance....

9.6 In the case of a sports drink or an energy drink such like words or expressions which are akin to the plaintiffs' mark are not only common but perhaps in a sense, necessary to describe, the characteristics or attributes of the product. Therefore, notwithstanding the fact that there is a registration in favour of the plaintiffs if, the expression which is registered or an expression similar to the one which is registered is used to describe the character of the product then, within the meaning of Section 30(2)(a) of the T.M. Act, 1999, the user will not be guilty of infringement. The argument of Mr Singh that what is protected in Section 30(2)(a) of the T.M. Act, 1999 is confined to the directions found on most packed products, that is, information as regards its ingredients, is a submission which does not find resonance in the provisions of Section 30(2)(a) of the T. M. Act, 1999. As is well known, the reference to the ingredients on most packed products is a statutory obligation under the Prevention of Food Adulteration Act, 1954 (in short 'PFA') and the Prevention of Food Adulteration Rules, 1955. If the contention of Mr Singh was in line with what is provided by the legislature in Section 30(2)(a) of the T. M. Act, 1999 then the legislature would not have gone to the extent of providing what all would not constitute an infringement. It would have simply referred to the provisions of the PFA and Rules framed thereunder.

9.7 The other contention of the plaintiff that descriptive words and expressions are registerable, or that the expression "Rehydrate Replenish Refuel" has acquired secondary meaning would not, in the instant case, help the cause of the plaintiff. It is not disputed, as it cannot be, that descriptive words are registerable and can be used as trade marks. The only caveat being that they ought to have acquired a "secondary distinctive meaning". The use of the mark by itself does not necessarily translate in the mark acquiring a "secondary distinctive meaning". In the present case even though the plaintiffs' have alluded to the revenue achieved in India and world over in respect of its product Gatorade, there is nothing on record to back the claim that the expression in issue, i.e., "Rehydrate Replenish Refuel" purportedly used in relation to its product was instrumental in achieving the sales revenue as claimed in the plaint. As a matter of fact, the plaintiff curiously has not adverted to the turnover between the date of launch of the product in October, 2004 and 2007. The plaintiff again curiously has not even filed its invoices in respect of the sales of its product in India. There is no evidence in the form of consumer survey or otherwise which would at least prima facie have me believe that the registered mark "Rehydrate Replenish Refuel" has achieved trade mark significance- in as much as the use of the expression brings to mind the trade origin of the product. Mere use of the mark alone does not necessarily translate in the mark obtaining "secondary distinctive meaning". In other words in my opinion, at this stage, based on the material placed on record, I am not persuaded to hold that the expression "Rehydrate, Replenish Refuel" is distinctive of the plaintiffs product.

9.8 The submission of the plaintiff that the defendant's use of the impugned mark, that is, "Rehydrates Fluids, Replenishes Vital Salts and Recharges Glucose" is dishonest, in my view, is again untenable. The reason for this is that both products are isotonic drinks. The trade liberally uses such like words or expression in one or the other form. The defendant's use of the expression does not prima facie appear to be dishonest for the reason that these are words or expressions used commonly to describe what appears to be the functional utility of an isotonic drink. The defendant, as a matter of fact, has gone further by using a suffix with each of the words, as in, "Rehydrate Replenish Refuel" so as to describe in greater detail as to what it achieves. As a matter of fact, to me, they appear as short sentences. It is quite possible that the plaintiff at the trial is able to garner evidence to establish that the mark "Rehydrate Replenish Refuel" has acquired "secondary distinctive meaning" relating to the plaintiffs product. At this stage, however, as indicated hereinabove, no such prima facie conclusion can be drawn in favour of the plaintiffs. I find merit in the submission made on behalf of the defendant that the plaintiffs are selling its sports drinks under the trade mark Gatorade, and that the expression "Rehydrate Replenish Refuel" is used in a descriptive sense. This submission finds support in a document placed on record by the plaintiffs which shows a bottled container carrying the label Gatorade sans the expression "Rehydrate, Replenish Refuel". As a matter of fact in court, the defendant's counsel did show such bottled containers which did not bear the mark "Rehydrate Replenish Refuel" -to which the plaintiffs' counsel had no reasonable explanation.

9.9 In so far as passing off is concerned, in my view, the cumulative effect of the trade dress and the get up of the plaintiffs packaging when compared with that of the defendant, leave no doubt in my mind that there is no likelihood of confusion as regards the origin of the defendant's goods. Not only the colour and the trade dress is different, the trade mark, under which the goods are sold, is prominently displayed on the defendant's packing. There is, in my view, no case made out for passing off at least at this stage. A Division Bench of this Court while considering this aspect of the matter in the case *Rhizome Distilleries Pvt. Ltd. and Ors. v. Pernod Ricard S.A. France and Ors.* MANU/DE/2742/2009 : 166 (2010) DLT 12 (DB) has examined this matter quite closely in context of words grant of exclusivity to ordinary words. The observations being apposite are extracted hereinbelow:

15. ...Jural opinion, therefore, is an averse to granting exclusivity to ordinary words. Our esteemed and learned Brother, Mukul Mudgal, J., had noted that 'Sugar Free' is neither a coined word nor an unusual juxtaposition of two English words especially when such expressions are commonly used. Although the Bench expressed their reservations for the decision of the European Court of Justice in *Proctor & Gamble v. Office of Harmonisation in the International Market (OHIM)* (2002) RPC 17 (famously known as "Baby Dry Case"), it was noted that the proprietary character could be accorded to expressions which are syntactically unusual. In other words, there must be something unique to the choice of the word; it should neither be descriptive nor laudatory since everyone would be entitled to use such word(s). It would be wise, therefore, for any trader or manufacturer to use a coined or unique word if he expects proprietary right over and a consequent injunction to issue in respect of the user of such trademarks by rivals. If a new venture dealing in computers adopts the name 'Apple', we would expect Courts not to hesitate to grant an injunction against its user by third parties since the choice of the word 'Apple' has no connection whatsoever with computers. Obviously, if a party adopts the mark 'Imperial Apples' in connection with the apple trade, Courts would be loathe to grant an injunction for either word.

16. It seems to us that the regime which applies to descriptive words would apply equally to laudatory words. No one can claim exclusive or proprietary rights over such words.

10. This brings me to the judgments cited by the learned Counsel for the plaintiff.

Hindustan Embroidery Mills Pvt Ltd v. K Ravindra & Co PTC (Suppl) (2) 666 (Bom):

10.1 This is a case where the plaintiff sought an injunction against the defendant's use of the mark 'HEMLA' in respect of its goods, which in the said case were: embroidery works. The said trade mark 'HEMLA' had been registered in the name of the plaintiff in "cruciform" and also in "script form" in respect of shawls. The mark was, however, not registered in another form, which was called chimney form. What is important to note is that the plaintiff, which was a private limited company, had its controlling interest vested in a family comprising of two brothers. The said plaintiff carried on business near Amritsar. After some time the two brothers found another concern at Faridabad, which was named as Hernia Embroidery Mills Pvt. Ltd. It was the plaintiff's case that the entire premises at Faridabad was rented out to it; and consequently it set up its own machinery, and engaged its own labour for manufacture of goods and sold the end product under their own, "Tex Mark". The defendants, however, contended that what was rented out to the plaintiff was only part of the premises at Faridabad. It appears that an agreement was entered between the plaintiff and Hernia Embroidery Mills Pvt. Ltd. whereby the plaintiff agreed to sell the embroidered goods to Hernia Embroidery Mills Pvt. Ltd. at wholesale market rates. It was also provided in the agreement that as and when the plaintiff placed an indent on the defendant the latter would make purchases on behalf of the plaintiff, at market rates. It was, therefore, the case of the plaintiff that Hernia Embroidery Mills Pvt. Ltd. was the agent of the plaintiff. It appears that thereafter disputes arose between two brothers. The disputes were settled by effecting a division of business between them. By virtue of this division, the plaintiff company and the factory at Amritsar came to the share of one brother, while the concern Hernia Embroidery Mills Pvt. Ltd. and the factory at Faridabad came to the share of other. A suit was filed when, one of the sole distributors of the plaintiff in Bombay brought to the notice of the plaintiff that the goods under the trade mark 'HEMLA' were being sold by a concern going by the name Ahuja Embroidery, which, in turn had received the goods from Hemla Embroidery Mills Pvt. Ltd. (Faridabad). It is in this context that one of the defences taken was that the mark(s) had been wrongly registered in favour of the plaintiff, and that the registration being invalid it was likely to be revoked -and for that purpose an application had already been filed by the defendants. It would be noticed that there was no issue of the nature which arises in the instant case. The mark was not descriptive of the characteristics of the goods in issue, therefore, the observation of learned Judge on what was stated in a passage appearing in *Kerly Trade Marks*, in paragraph 7 of the judgment, has to be appreciated in that context. In my view, the case is completely distinguishable.

Poddar Tyres Ltd v. Bedrock Sales Corp MANU/MH/0038/1993 : AIR 1993 Bom 237:

10.2 This was a case where internecine family dispute led to institution of a suit over the use of the trade mark 'BEDROCK'. The trade mark 'BEDROCK' was originally owned by a partnership firm. One of the partners of the partnership firm was a private limited company. On retirement of all partners, the trade mark came to be owned by the private limited company. The private limited company in turn assigned the mark in favour of the plaintiff. One of the defences set up to the action for infringement of trademark was that every partner had a right to use the trade mark and that the plaintiff was only a glorified partnership firm. Here again there was no issue of the validity of the mark being challenged on the ground that the mark was descriptive of the characteristics of the goods. The observations in paragraph 41 of the judgment have to be understood in the context of the facts which arise for consideration in the present case. In my view case is also distinguishable.

Biochem Pharmaceutical v. Biochem Synergy 1998 PTC (18) 267:

10.3 In this case the plaintiffs were engaged in the manufacture and sale of pharmaceuticals, medicine preparations and drugs. The plaintiff No. 1 had been in the business since 1961, while plaintiff No. 2 had been in the business since 1976 as the licensee of plaintiff No. 1. Both plaintiff Nos. 1 and 2 were using 'BIOCHEM'

manupatra as part of their name and style as well as a "house mark". plaintiff No. 1 was a partnership firm and plaintiff No. 2 was a private limited company. It was the plaintiffs' case that their trademark appeared on the products manufactured and marketed by them. "BIOCHEM" was a registered trade mark of plaintiff No. 1 under the Trade Mark and Merchandise Marks Act, 1958 (in short 'Act of 1958'). The said trademark appeared in part 'D' register in class 5 of the TVth Schedule of the Act of 1958. It was the plaintiffs' case that they had been using the mark 'BIOCHEM' for the past 33 years, and thus the mark had become distinctive as the plaintiffs goods by virtue of long user had acquired reputation and goodwill both amongst the trading community as well as members of public. The court observed in this case that the plaintiff had prima facie been able to establish that the mark "BIOCHEM" had become distinctive of plaintiffs' goods. Furthermore, since the defendant had admitted that not only were they using the word 'BIOCHEM' as part of their corporate name but also as part of their house mark; and because of the fact that the defendant's goods fell in the same class albeit in different trade channels- the court came to the conclusion that the plaintiff had made out a prima facie case for the grant of an injunction. Contrast this with the defendant's stand in the instant case, which is, that they are not using the impugned mark as a trade mark but as a "descriptor" to profess the characteristics of the goods manufactured by it. As noticed by me above, with the state of evidence on record, at least at this stage, I have not been able to come to a conclusion that the plaintiffs registered mark "Rehydrate Replenish Refuel" has acquired a distinctiveness of the nature which associates it with the plaintiffs goods. I may also refer to the following observations of Lord Evershed extracted in the said judgment to drive home the point that the manner and the circumstances in which an impugned mark is used is equally important - which is characterized as a second line of defence available to the defendant, where rival marks are similar: "though it may generally be as you say a mark likely to cause confusion, in fact in the way I have used it and in the circumstances and environment in which I have used it, it is not likely to cause confusion. It must be borne in mind that the test as to likelihood of confusion or deception is the same in the passing off claim....."

Kores (India) Ltd v. Whale Stationery Products MANU/MH/1162/2007 : 2008 (36) PTC 463 (Bom)

10.4 The facts in this case were that the plaintiff was assigned the mark of 'Kores' and the device of a lady typist sitting before a typewriter. Briefly, the plaintiff had been using the mark since 1943. The defendant No. 2 in the said case set up a defence that it was an entity incorporated way back in 1887 by Mr Wilhelm Koreska. From the date of its formation in 1887, KORES became a carbon paper distributor. Defendant No. 2, which was incorporated in Austria had licensed the use of the said mark along with the device of a lady typist to defendant company for user of the mark in India. In these facts the issue before the court was whether the defence of Section 34 of the Trade Marks Act, 1999 was available to the defendants. In other words was the defendant a prior user of the mark. The court came to the conclusion that at the interlocutory stage what emerged from the record was that: there was a complete absence of material that would show "prior continuous or concurrent user" of the trade mark by the defendants in the territory of India. In these facts court granted an injunction in favour of the plaintiff. In my view the facts of the said case are completely distinguishable from those obtaining in the present case.

Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd. 2002 (24) PTC 121 (SC)

10.5 This was again a case in which the court came to the conclusion prima facie that the plaintiffs word mark "Mahindra" and "Mahindra & Mahindra" had acquired a distinctiveness and secondary meaning to an extent that the trade and people at large had come to associate with the name 'Mahindra' a certain degree of standard in the goods produced and services offered. Thus, the court took the view that an attempt by any other person to use the said name was likely to create an impression that it was connected with the plaintiffs group of companies. In this case the defendant had been using the name of 'Mahendra' as part of its corporate name which was Mahendra & Mahendra Paper Mills Ltd. The basic defence taken was that: the words "Mahendra & Mahendra" was used by the defendant as a "continuation of their business name" for a period of time in one form of the other. An affidavit in opposition to the effect was filed on behalf of the defendant by a person with the name of Mahendrabhai G. Parwani. In the affidavit he evidently alluded to the fact that in the trade circles he was better known as Mahindra, and that he lived in the house which was named as "Mahendra house" etc. These averments were necessarily made to demonstrate the defendant's bonafides as regards the use of the word mark "Mahendra". In the present case, I am afraid, as indicated above, one has not been able to come to the conclusion, at least at this stage that the mark of the plaintiff has acquired distinctive secondary meaning which would unequivocally point to the plaintiffs' as the source or origin.

Pankaj Goel v. Dabur India Ltd. MANU/DE/2271/2008 : 2008 (38) PTC 49 (Del) (DB):

10.6 This is a case where the appellant, who was the defendant in the suit filed by the respondent/ plaintiff, claimed that its trade mark 'Rasmola' used in relation to digestive tablets since 1983, did not infringe the respondent/plaintiffs mark 'Hajmola'. As a matter of fact in this case, the appellant/defendant had obtained a registration in its favour on 03.07.1996. One of the defences, which was set up by the appellant/ defendant, was that the respondent/ plaintiff had been aware of the fact that appellant/defendant had been using the mark 'Rasmola', at least since 2005. The other contention, which was raised, was that the respondent/plaintiff had failed to disclose that they had filed their injunction suits in respect of similar products such as 'Sidhmola', 'Satmola', and 'Chatmola', in which the plaintiff had failed to obtain any interim relief. A Division Bench of this Court on the facts of the said case, came to the conclusion that the marks were similar, they were sold to the

manupatra same set of consumers and in the same trading channel. It also came to the conclusion that the use of the mark by the appellant/defendant was "dishonest". As regards the contention that 'MOLA' was common to the trade in its various forms, the court came to the conclusion that the appellant/defendant had not been able to prove that the other infringers had a significant "business turnover" or that they posed threat to the plaintiffs distinctiveness. The Court observed that the respondent/ plaintiff was not expected to sue every smaller infringer whose presence did not effect the respondent/ plaintiffs business. As is apparent the court dismissed the appeal of the appellant/ defendant based on a cumulative assessment of a host of factors.

Health & Glow Retailing Pvt. Ltd. v. Dhiren Krishna Paul, Trading as Health and Glow Clinic and Anr. MANU/TN/7805/2007 : 2007 (35) PTC 474 (Mad):

10.7 In this case the defendant was using a mark which has identical to the plaintiffs mark, that is, 'Health and Glow'. In the facts of this case the court came to the conclusion that the plaintiff had been using the mark prior to even the 'birth' of the defendants. The other conclusion the court arrived at while the plaintiff had obtained registration of the trade mark was that the defendants had only applied for registration, to which the plaintiff had filed a notice of opposition. Thus, in the facts of the case the court came to the conclusion that not only had the defendants adopted the same trade mark as that of the plaintiff, i.e., 'Health and Glow' but also that the plaintiffs mark had attained a reputation in India; and therefore the use of the mark by the defendant was without due cause and also detrimental to the reputation of the plaintiffs registered mark.

10.8 Once again, in my view the facts are distinguishable. The defendants, in the instant case, in my view, have been able to prima facie establish that the impugned mark is descriptive of the characteristics of its goods and that the impugned words/expressions are commonly used in the trade. As to whether the use is bonafide, at this stage, is discernable from the manner in which the defendant has used the mark. Therefore, while one cannot quibble with the principle its applicability to the present case is inappropriate.

10.9 The similar position, according to me, obtains vis-a-vis the judgments of this Court in the case of Info Edge (India) Pvt. Ltd and Anr. v. Shailesh Gupta and Anr. 2002 (24) PTC 355 (Del.) and Reckitt & Coleman Products Ltd. v. Borden Inc and Ors. 1990 1 All E.R. 873. As has been observed by me hereinabove it cannot be doubted that a descriptive mark can acquire distinctiveness. The question is as to whether in this case there is evidence on record, which at least prima facie would drive one to this conclusion. As noticed above, this is not the position in the instant case. I may only note the observations in the case of Reddaway v. Banham (1896) AC 199 at 210, with profit, on the aspect of descriptive mark acquiring 'secondary meaning':

Every case depends on its own peculiar facts. For instance, even a purely descriptive term consisting of perfectly ordinary English words may, by a course of dealing over many years, become so associated with a particular trader that it acquires a secondary meaning such that it may properly be said to be descriptive of that trader's goods and of his goods alone, as in Reddaway v. Banham....

...As a defence to a passing off claim it can succeed only if that which is claimed by the plaintiff as distinctive of his goods and his goods alone consists of something either so ordinary or in such common use that it would be unreasonable that he should claim it as applicable solely to his goods, as for instance where it consists simply of a description of the goods sold. Here the mere fact that he has previously been the only trader dealing in goods of that type and so described may lead members of the public to believe that all such goods must emanate from him simply because they know of no other. To succeed in such a case he must demonstrate more than simply the sole use of the descriptive term. He must demonstrate that it has become so closely associated with his goods so to acquire the secondary meaning not simply of goods of that description but specifically of goods of which he alone is the source. The principles are aptly expressed in the speech of Lord Herschell in Reddaway v. Banham.....

The name of a person, or words forming part of the common stock of language, may become so far associated with the goods of a particular maker that it is capable of proof that the use of them by themselves without explanation or qualification by another manufacturer would deceive a purchaser into the belief that he was getting the goods of A. when he was really getting the goods of B. In a case of this description the mere proof by the plaintiff that the defendant was using a name, word, or device which he had adopted to distinguish his goods would not entitle him to any relief. He could only obtain it by proving further that the defendant was using it under such circumstances or in such manner as to put off his goods as the goods of the plaintiff. If he could succeed in proving this I think he would, on well-established principles, be entitled to an injunction.

11. In view of my discussions above, I am of the opinion that prayers sought for in the captioned application cannot be granted. Consequently, the application is dismissed.

