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IN THE HIGH COURT OF DELHI AT NEW DELHI
(Ordinary Original Civil Jurisdiction)

CS(OS) No. *626* of 2006

ROCA Sanitario S.A. ... Plaintiff
VERSUS
Naresh Kumar Gupta & Anr. ... Defendants

MEMO OF PARTIES

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High Court of Delhi
ROCA Sanitario S.A.
Avenida Diagonal 513
Barcelona 08029
Spain

... Plaintiff

VERSUS

Naresh Kumar Gupta
Trading as
ROMA International
KD-26 Pitampura
Delhi 110034

... Defendant No. 1

ROMA International Pvt Ltd.
C-568, Saraswati Vihar,
Main Outer Ring Road,
Pitampura
Delhi-110034

... Defendant No. 2

New Delhi
Dated: *12* April 2006

Anand
Anand and Anand
Advocates for the Plaintiff

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IA. Nos. 4171/2006 (U/O 39 R 1 & 2) & 8136/2008 (U/O 39 R 1 & 2)
in CS(OS) 626/2006

ROCA SANITARIO S.A. Plaintiff

Through: Sh. Pravin Anand, Advocate.

versus

NARESH KUMAR GUPTA & ANR. Defendants

Through: Sh. Sudhir Chandra, Sr. Advocate with Sh. R.K. Aggarwal and Sh. Natwar Rai, Advocates.

IA No. 13355/2009 (Under Order 39 Rule 1 & 2) in CS(OS) 2223/2006

ROMA INTERNATIONAL PVT. LTD. Plaintiff

Through: Sh. Pravin Anand, Advocate.

versus

ROCA SANITARIO S.A. Defendant

Through: Sh. Sudhir Chandra, Sr. Advocate with Sh. R.K. Aggarwal and Sh. Natwar Rai, Advocates.

CORAM:

Mr. Justice S. Ravindra Bhat

- | | | |
|----|---|------|
| 1. | Whether the Reporters of local papers may be allowed to see the judgment? | Yes. |
| 2. | To be referred to Reporter or not? | Yes. |
| 3. | Whether the judgment should be reported in the Digest? | Yes. |

Mr. Justice S. Ravindra Bhat:

1. This common order will dispose of rival injunction applications, being I.A. Nos. 4171/2006 & 8136/2008 in CS (OS) 626/2006, by the plaintiff (hereafter called "ROCA"), and I.A. No. 13355/2006 in CS (OS) 2223/2006, filed by the plaintiff in CS (OS) 2223/2006, who is also a defendant in CS (OS) 626/2006 (hereafter called "ROMA"). ROCA'S averments in its suit

I.A. Nos. 4171/06 & 8136/08 in CS(OS) 626/06 & I.A. No. 13355/09 in CS (OS) 2223/06 Page 1

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conform to its written statement, in ROMA's suit; likewise, ROMA's contentions in its suit, are identical with its written statement in ROCA's suit.

2. ROCA, as plaintiff, contends to be a well-known international corporate entity whose business was founded by the ROCA family in Spain in 1970. It claims to have been initially dealing with Cast-iron Radiators and having commenced manufacture of Cast-iron baths in 1925. According to the suit, ROCA launched vitreous china in 1936. It relies, for the purpose of its suit, upon the extracts of its website, describing the history of the group and submits that in March 1948, the ROCA company bought shares of Compania De Radiadores S.A. of Bilbao in one of its first attempts to establish in Spain. This ended the Spanish holdings of an American company and the business of radiators and sanitary products passed into Spanish hands, i.e. the ROCA family. Its website -- print-outs of which have been produced along with the list of documents, state that the ROCA brand is associated with world-renowned designers like David Chipperfield, Schmidt, and Ramon Benedito and that ROCA brought about innovations in bathroom products which are distinct in style and technology.

3. According to the suit averments in CS (OS) 626/2006, and the temporary injunction application, ROCA owns registered trademark in respect of its bathroom tiles, fittings and sanitary ware products, in various ranges, under the distinctive "ROCA", brand in over 90 countries. Reliance is placed upon copies of documents filed at pages 2806 to 2832, for this purpose. In support, a list of such design registrations have been disclosed in Annexure-DD. It is claimed that ROCA had entered into a joint-venture with PARRYWARE of India, and invested Rs.725 crores for production of ceramic tiles, sanitary ware products etc. and lent the "ROCA" trademark for this purpose.

4. ROCA says that it applied for and was granted trademark registration in India with effect from 28.03.1979, and relies upon a copy of that Registration Certificate which is produced in the list of documents in Volume-3 (Part-III) of CS(OS) 626/2006. ROCA argues in support of its temporary injunction application, in CS (OS) 626/2006 to being the registered domain owner, of large number of websites and portals, each of which contain the word ROCA. It claims to have secured domain registration on different dates; the earliest being on 05.12.1995. The list of such domain names has been produced at page 1269, and other documentary evidence in the form of domain registration particulars are produced at pages 1270 to 1272 of the list of documents.

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ROCA submits to having used the mark extensively and relies upon advertisements as well as particulars of the sales over the years. For this purpose, it relies upon pages 1592 to 1756, revealing its sales in several countries – not including India. It relies upon the documents, particularly, sales invoices, evidencing its activities and sales in India, at pages 3065 to 3078. According to ROCA, the earliest of these invoices disclose that it had sold its products before 1998, i.e. earlier in point of time to ROMA's sales of its products. The suit alleges that during 2003, the turn-over of the parent company of the ROCA group and the consolidated group was \$2.06 billion, 49% of which constituted non-Spanish sales. It claims to have bagged a net profit of € 97 million and secured a profit margin over sales of 6.2 percent.

5. The ROCA group claims to employ 15,000 people worldwide and has invested roughly 2% of its turn-over in research and development, to enhance its capacities, and gain greater technological independence. ROCA claims to be one of the world's leading firms in the ceramic and premium tiles segment, and relies upon the "CERAMIC WORLD REVIEW", which lists it as the second largest manufacturer of sanitary wares in the world. The suit lists, in para 6, the worldwide turn-over of the ROCA group for the period 2000-2005. ROCA, in addition, claims to have incurred considerable expenditure on advertising, the details of which are disclosed in para 7 (of the suit). Such advertising is carried-out through brochures, international magazines and catalogues. The figures reveal that whereas for the year 2000, expenditure claimed is Rs.83 crores; in 2002, it increased to 94 crores and in 2005, went up to Rs.106 crores.

6. According to the suit averments, the reputation of the ROCA group is such, worldwide, that its trademark is well-known in India and well established in the sanitary ware sector. It states that it has been steadily increasing its market share in India and supplying products at least since 2002. ROCA states that in November-December 2002, it supplied 1500 bath tubs to Sterling International, to equip Gazer Hotel in Sinnar, Maharashtra; similarly, in August 2004, it supplied 350 washbasins to Hotel Excelsior, New Delhi. It has also detailed other such sales, and claims to have recently appointed its distributor – M/s Hydrojet Air Distributor in Delhi.

7. ROCA claims that its reputation and goodwill as well as brand value has international presence which has spilled-over to India and is not confined to marketplaces where it has a strong presence. According to its averments in the suit, the trademark ROCA and its trade-name as well as that of the company transcends physical boundaries of geographical regions and has

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acquired trans-border or overseas extra-territorial reputation through import of goods, and advertisements in international magazines etc. It is stated that knowledge and awareness of goods of foreign traders and such trademark can be available at a place where the goods are not marketed and are not used. In support, the ROCA submits to having participated in several prestigious fairs and exhibitions, and relies upon documentation at pages 3079, 3014. Copies of advertisements of ROCA in a magazine *La Vanguardia*, for the year March 1981, and publications, both in magazines as well as in the world wide web in China, particularly, Shanghai and other such cities have been produced. List of several Chinese publications have also been similarly produced in support of the assertion in this regard.

8. It is alleged that the ROMA is dishonestly adopting a similar, if not, an entirely identical mark in relation to the same product, i.e. ceramic products, and sanitary ware in India, with a view to cash in on ROCA's well-known reputation. ROCA claims that the distinctiveness of its mark, by ROMA's unauthorized appropriation, is bound to be adversely affected, in India. ROCA points-out that the rival mark is claimed to have been used since 1996; the defendant was known as ROMA International and its explanation for the abrupt adoption and use of ROKA is unconvincing and false.

9. The averments in paras 9 and 10 of ROMA's suit, CS (OS) 2223/2006, are relied on, to say that they *ex-facie* establish confusion and deception, as the identity of the two marks stand admitted by ROMA. ROCA points-out that besides the dishonesty in the explanation, which is equivalent to no *rationale* at all, even ROMA's claim of prior use is unfounded. According to ROCA, the ROMA's earliest documentary evidence of user in the form of invoices, pertain to September 1999, clearly after it (the ROCA) had made its presence felt in the Indian market in April 1998, according to the available documents on the record. Besides the obvious identity or deceptive similarity of the two competing marks, says ROCA, even the visual depiction of the word through ROMA's stylized depiction and use of the font for ROKA mark, display the latter's oblique and dishonest motives. ROCA seeks to juxtapose its depiction, which is also the subject-matter of registration with effect from 28.03.1979 with the ROMA's stylized depiction – copies of which are placed at pages 140 and 196 of Volume-4 in its list of documents.

10. It is argued by ROCA's counsel that ROMA's attempts to having changed its mark to ROKA and then claiming registration with effect from 1996 is without establishing user

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anywhere in India. ROMA points out that instances of use by ROMA (of the ROKA mark), all pertain to imported goods from China, on which the label "ROKA" is affixed and marketed. It is submitted that ROMA's attempts to establish prior use by reliance upon affidavits of its so-called dealers, is not of much consequence since they do not demonstrate any sales. It is pointed-out by virtue of Rule 24 of the Trademark Rules, ROMA could and is deemed to have conducted a search in the Trademark Registry about the existing marks, which in turn, would have revealed its (ROCA's) previously existing registered trademark. That ROMA proceeded to adopt the said mark and in relation to the same products and goods, says the plaintiff (ROCA), is also proof of its dishonesty and blatant attempt to appropriate the mark and the goodwill associated with it.

11. ROCA argues lastly that the Court should be mindful of the circumstance that before the opening up of the Indian economy, it was not possible, on account of trade barriers and foreign exchange restrictions, for consumers, traders and dealers to freely import products, such as tiles, which were deemed to be luxury goods. The Court, therefore, has to take judicial notice of this aspect while considering the question of use of mark and the international reputation associated with the trademark ROCA. It is, therefore, urged by ROCA that the Court should protect its mark and enjoin ROMA from using and marketing its goods under the style ROKA or any other mark deceptively similar to the ROCA trademark.

12. ROCA relies on the judgments reported as *Milmet Oftho Industries and Ors. v. Allergan Inc.*, (2004) 12 SCC 624; *N.R. Dongre v. Whirlpool Corporation*, 1996 (5) SCC 714 to say that distinctive and famous trademarks need not be confined to national territorial boundaries and that transborder reputation of such marks is recognized by Indian Courts, for the purpose of granting injunctive relief, against dishonest attempts at their appropriation. ROCA also relies on *Apple Computer Inc. v. Apple Leasing & Industries*, 1993 IPLR 63 DEL. to say that today, use of a mark, within the confines of national territories can no longer be the only criterion, especially in the case of world recognized and acknowledged brands, which stand the danger of unauthorized appropriation, and dishonest adoption if not granted adequate protection. It is emphasized that the plaintiff ROCA cannot be placed at a disadvantage merely because trade or import polices prevented free or easy entry of such goods. ROCA also relies on the judgment reported as *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* reported in 2001 PTC 300 (SC) to say that even

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though both the marks in this case are registered, its claim is not for infringement, but passing off, as it is the senior or prior user.

13. ROMA in its suit CS(OS) No.2226/2006, as well as in written statement in ROCA's suit submits to having adopted the ROKA mark in respect of sanitation goods, fittings, bath tubs, etc. with effect from 24.12.1996 and also to having applied for trade mark registration in Class 11 on that basis. It states that the application was accepted and advertised in the Trademarks Journal on 14.10.2003; subsequently it was registered; a copy of the registration certificate is on the record. ROMA claims to be a *bona fide* and honest user of the ROKA mark. According to it the mark is a coined term being derived from its proprietor's children names, i.e. Romika and Kanishk. In support of this submission, reliance is placed upon the school leaving certificates, mark sheets, copies of passport and insurance policies in respect of the said Romika and Kanishk.

14. ROMA submits that it has been importing goods from China and marketing them under the ROKA trade mark after spending substantial amounts towards advertising the mark extensively, openly, regularly and un-interruptedly, since its adoption in 1996. In support, it claims that hoardings were put in different parts of India. Two invoices issued by M/s Arihant Graphics for Rs.29,195/- and Rs.43,750/- are placed on record and relied upon for this purpose. ROMA also relies upon its sales bills stating that they pertain to the period from 1996 onwards. ROMA in addition claims to have participated in various exhibitions throughout India organized by the "Business India" magazine group and also to having spent substantial amounts for promotion its ROKA brand. Certificates of the Business India in support of its (ROMA's) having participated in 17 different exhibitions during the period 2004-05 have been placed on record.

15. In further support of its claim of extensive and open use, ROMA relies upon a bill dated 09.12.2004 issued by Salasar Imaging System for printing its catalogues and subsequent bill of 30.03.2005. Likewise it relies upon declarations and affidavits by different traders who deposed having sold the ROKA brand products for 10 years continuously. These include the affidavit deposition of one Mr. Sunil Khanna (of M/s Excel Bath Fittings Pvt. Ltd.); the dealer's invoice and sale bills have also been produced. Likewise the depositions of Ghanshyam Gupta (of M/s Sudhara Sanitation Pvt. Ltd., Noida); Mr. Sanjeev Khurana (of M/s Venus Metal Industries); Mr. Sanjay Khanna (of M/s Marc Sanitation Pvt. Ltd) are all relied upon. These affidavits also enclose invoices and bills used by ROMA in relation to the ROKA mark, and issued to the said

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Firms and concerns for supply of its products for onward marketing and sale, by them. Several other affidavits, such as those of M/s Gaurav Gupta, Vinod Aggarwal, Suresh Gangwani are relied upon by ROMA.

16. ROMA argues that ROCA has not- in its suit- categorically averred as to the precise date of commencement of manufacture and sale of bathroom products. It disputes that the ROCA brand is a well known mark and contends that even though the registration has subsisted from 1983, there has been no use of the said mark, in India, to entitle it to trademark protection. ROMA disputes ROCA's claim of international repute and trans-border reputation of its mark and brand. It argues that amongst the mass of documents filed by ROCA, there is not one which points to advertisement in any known trade journal or magazine that has circulation in India or of which consumers in India can be said to be reasonably aware. ROMA here emphasizes that the issues of six magazines relied upon by the ROCA, i.e. "DECO MAGAZINES"; "XL SEMANAL"; "NUEVO EST ILO"; "DECORATION MONDANITE"; "HARMONIES"; "ART CROQUIS" are all in Spanish/French and circulated in territories outside India. It is argued that the magazines have never been circulated outside Spain, much less in India. ROMA also contends that translations of these magazines and periodicals have not been filed. In this context ROMA relies upon an investigation report of SPOCO Communication Pvt. Ltd. at pages 1053 to 1079, along with the list of documents filed by it. It states that such six magazines were not heard of in India and were neither available for sale. It is contended that a mere assertion of trans-border reputation of a trade mark is insufficient for the Court to conclude such to be the position and that over all circumstances of the case are to be considered, having due regard to the documentary materials before the Court. It is submitted that the plaintiff has failed to establish why it did not engage itself in any commercial or business activities for 23 years beyond 1979 - 2002, i.e. after securing registration of the mark. Mere importation of bath tubs is not sufficient for the Court to conclude that ROCA mark was in use in India or that it is so well known and has such wide reputation as to dislodge a potential competitor who has honestly and uninterruptedly been using the ROKA mark, for the last 12-13 years.

17. ROMA contends that at this stage of considering the injunction application, the Court should only examine the prima facie nature of the rival claims and cannot make a value judgment on the merits. ROMA relies upon the decision reported as *Imperial Group Ltd. v. Philip Morris*

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Limited, 1982 FSR 72 and submits that the user (for entitlement to a temporary injunction), should be continuous and substantially using the trade mark and not merely sporadic. It has argued that the plaintiff cannot ignore but has to give due weight and regard to the affidavits though they are untested depositions. For this purpose, reliance is placed on the judgment titled *Allergan Inc. v. Milment Oftho Industries & Ors.*, 19 (1999) PTC 160. ROMA submits that the principles spelt out in Supreme Court judgment in *London Rubber Company Ltd. v. Durex Products*, AIR 1963 SC 1882, to the effect that even more traders' and manufacturers' rights are to be protected by Courts in trade mark passing off infringement cases.

18. The above discussion would reveal that the parties are claiming trademark protection. ROCA'S mark was registered in 1979; ROMA's "ROKA" mark was registered in 1996. It is an undisputed fact that the rival marks are closely similar, if not identical. Since both the rival marks are registered, by virtue of operation of Sections 27 and 28 of the Trademarks Act, the suits essentially are passing off actions. In *Erven Warnink v. J. Townend & Sons (Hull) Ltd.*, (1979) AC 731 (*Advocaat Case*) the Court outlined what are the essentials that a plaintiff has to establish, to secure injunctive relief, against another trader, dealing in similar goods, and using a similar trademark, as follows:

- (1) A misrepresentation
- (2) Made by a trader in the course of trade
- (3) To his prospective customers
- (4) Which is calculated to injure the business or goodwill of another trader and
- (5) Which causes actual damage to a business or goodwill of trader by whom the action is brought.

The principles applicable in such cases were revisited, and the law, re-stated in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*, (2001) 5 SCC 73, at page 95:

"35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

- (a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.
- (b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- (c) The nature of the goods in respect of which they are used as trade- marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

21. There cannot, in this case, be any doubt that apart from the similarity of the marks, both the parties are trading in similar goods or products, i.e. bathroom ceramic goods, and tiles. Since on two important aspects, i.e. the identity of the goods and identity of the marks, there is no serious dispute, the question is, who is the prior user, and what is the *prima facie* established usage of the mark.

22. The rival arguments about user are that ROMA has been using its ROKA mark since 1996. To rely on this argument, it has placed on record affidavits of several dealers as well as copies of invoices said to have been issued by it. ROCA says that these cannot be considered because they are not credible, and that the invoices are internal; the goods are imported from China. As far as such a contention is concerned, this Court is of opinion that at this pre-trial stage, there cannot be any rejection of evidence, unless the circumstances present a grossly unreliable picture as far as the concerned material is concerned. *Allergan* (the Calcutta decision, cited supra) establishes that the Court has to take into consideration affidavit depositions at the interlocutory stage. The affidavits of such individuals, who claim to be dealers, enclose a large number of documents, which are claimed to be invoices. *Prima facie*, there is nothing unreliable or incredible to suggest that they cannot be seen by the Court. As against such kind of use, ROCA's evidence is to the effect that imports used to take place; two instances for the year 1999 are relied on. ROCA then relies upon invoices for a later period, after 2002. However, it primarily relies on its sales figures, worldwide, to establish a "spill over" or "transborder" reputation.

23. Internationally, it is accepted that trademarks, are recognized as limited by national boundaries, since the law applicable seldom has extra-territorial effect. This aspect was

emphasized as long ago as in 1969, by the Calcutta High Court, in *Aktiebolaget Jonkoping Vulcan v. V.S.V. Palanchamy Nadar*, AIR1969 Cal 43:

"The Trade Mark law is not extraterritorial; that use abroad in foreign countries under foreign registration can be use within the meaning of the Indian Trade and Merchandise Marks act of 1958. This statute is an Act which provides for registration and better protection of trade marks and for the prevention of the use of fraudulent marks on merchandise. That is its preamble. That preamble I read as confined to the territorial limits of India. Section 1(2) of the statute extends it to the whole of India. The statute establishes trade marks register for India. The definition of a trade mark in Section 2 (v) speaking of use in relation to goods must in my opinion be understood as use within the territory of India and not use abroad. On the authorities quoted above and on the principles that I have just mentioned I am of the opinion that under Section 46 of the Trade and Merchandise Marks Act, 1958 the word "use" employed therein is use within India. Naturally if it is not used in India that would be a ground for removal from the Indian register. I cannot imagine that a foreign use or use abroad or outside India could be pleaded as a sufficient ground for retaining a registered Trade Mark on the Indian Trade Mark register. I cannot import any extraterritorial notion to construe the Indian Trade and Merchandise Marks Act, 1958 to cover foreign use. I am of the opinion that registration of a Trade Mark and its continuance on the register are exclusively within the scope and ambit of domestic and national law."

The Privy Council also dealt with the question, in *Star Industrial Company Limited v. Yap Kwee Kor (trading as New Star Industrial Company)*, 1976 FSPLR 256. The context was a passing off action in which a Hongkong based Plaintiff, was manufacturing toothbrushes (in Honkong) with a word mark "ACE BRAND" and a device, used to market it in Singapore. In 1965, it stopped marketing its toothbrushes in Singapore. In 1968, the defendant formed a company with a similar name and started marketing toothbrushes in Singapore with an identical getup. The Privy Council in an appeal in that case, held:

*"A passing off action is a remedy for the invasion of a right of property not in the mark name or getup 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 abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. (See: *Inland Revenue Commissioners v. Muller & Co.'s Margarine Ltd.* [1901] A.C. 217, per Lord Macnaghten at p.224; per Lord Lindley at p.235.) Once the Hong Kong Company had abandoned that part of its former business that consisted in manufacturing toothbrushes for export to and*

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

24. The position in England was summed up in *Anheuser Busch v. Budejovicky Budvar*, (1984) F.S.R. 413:

"The first defendant, he submits, were doing no more than honestly using their own business name, in which there was no monopoly and which in any event signified no more than a geographical origin. I am certainly prepared to accept that the first defendants were acting honestly, but the proposition that because they were doing no more than using their own business name which they had previously used in Europe, there was no misrepresentation, begs the question. If the plaintiffs had in fact an established reputation and goodwill in the name in England, the use of the same name by the first defendants, however honest and however much used elsewhere, constitutes a misrepresentation if it leads people to believe that their goods are the goods of the plaintiffs."

25. Christopher Wadlow's treatise on the *Law of Passing Off* (Third Edition 2004) summarized the applicable principles as follows:

*"If a foreign defendant has no goodwill in the jurisdiction then he can rely on bare reputation only if his reputation is strong enough to negative that of the claimant. In that case, the claimant's name or mark will lack exclusive distinctiveness, there will be no misrepresentation to restrain and no need to invoke a specific defence as such. This is the situation exemplified by *Brewster Transport v. Rocky Mountain Tours & Transport*. Otherwise, the defendant may have a defence properly so called if, and only if, he can claim an antecedent or concurrent goodwill in the jurisdiction, which will only be the case if he has customers here in the sense contemplated by *Budweiser*. A fortiori, if he has neither reputation nor goodwill in the jurisdiction then despite the fact that he may be making honest use of his own name the defence does not arise at all."*

26. In *Milmet*, (supra) the appellant, an Indian pharmaceutical company manufactured 'Ocuflox' which the respondent, a foreign company, was also manufacturing. Both products were medicinal preparations pertaining to eyes. The foreign manufacturer claimed to have first used the mark on 9th September, 1992 after which it marketed the product in several countries across the world but had not entered the Indian market. The appellant was granted registration by the Food and Drug Control Administration on 25th August, 1993 and had also applied for registration of the mark 'Ocuflox' in September, 1993; a year after the respondent. The respondent sued for injunction for passing off against the appellant and an *ex parte ad interim* injunction was granted by a learned Single Judge. The interim injunction was subsequently vacated, on the ground that the respondent's products were not sold in India and that the

appellant was the first to introduce the goods in India. A Division Bench allowed the respondent's appeal. The Supreme Court observed that now a-days goods are widely advertised in newspapers, periodicals, magazines and other media available in the country resulting in a product acquiring a worldwide reputation. It was observed that if a mark were associated worldwide with a particular product, it would lead to an anomalous situation if similar goods with an identical mark were allowed to be sold in India. The Supreme Court, also cautioned the courts, by saying that Multinational corporations, which 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. The Supreme Court held as follows:-

"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."

27. Halsbury's Laws of England, Volume 48 paragraph 156, reads as follows in this regard:

"156. Whether actual trade need have commenced- A passing-off action can be sustained prior to the actual commencement of trading by the plaintiff. A plaintiff may acquire a substantial reputation prior to making sales of a product or service because of advance advertising and press publicity and, in such case, may sue others who seek to trade on the reputation and goodwill that is able to be protected even before it's formal incorporation and within hours of the announcement of it's intended formation. Where a plaintiff has incurred considerable expense making preparations for the launch of a product which will rapidly acquire a reputation once launched, a defendant who commences advertising before the plaintiff with the intention of defeating the plaintiff's acquisition of an exclusive right to the mark concerned may be restrained by a quia timet injunction."

In Para 180, it is stated that:

"Actions by foreign traders- A number of considerations arise when a plaintiff seeks to restrain the use in the United Kingdom of a name, mark or other indicia under which he has carried on business abroad. First, a plaintiff in any case of passing-off must prove a reputation extending to the geographical, area in which the defendant's use of the name, mark or other indicia complained of is taking place, whether this is another part of the country in which the plaintiff trades or in a different country, for if he has no reputation in the United Kingdom then the defendant's use of a similar name or mark cannot involve

any misrepresentation. If the plaintiff can establish that a substantial number of persons with whom the defendant intends to trade in the United Kingdom know of the plaintiff's business, so that the element of misrepresentation is established, the plaintiff must further show, as in any passing-off action, that the misrepresentation, that the misrepresentation poses a real and tangible risk of injury to his business or goodwill.

However it is unclear whether there is an additional requirement that the plaintiff must carry on business in, or at least have a trade extending to, the country in which he seeks to restrain the defendant from using the mark or name, or whether the geographical separation of the plaintiff's business from the defendant's is factual element which merely makes it difficult, but not impossible in all circumstances, for a plaintiff to show that the defendant's activities are likely to cause him substantial damage. What is clear is that a plaintiff who has no place of business in the United Kingdom and does not directly trade there but whose goods are imported by others can acquire a reputation and goodwill that is able to be protected. A business carried on abroad but which corresponds with customers in the United Kingdom can likewise acquire a reputation and goodwill able to be protected.

It is more doubtful whether passing off can be established where the plaintiff's goods or services are not marketed in the United Kingdom but his customers who have come across his goods or services abroad reside in or come to the United Kingdom, although in one such case an interlocutory injunction was granted. However, it has been held that a plaintiff whose establishment in Paris had been adverted in England through travel agents and who had some customers in England who had visited Paris, could not maintain a passing off action in England against a defendant who has adopted the name of the plaintiff's establishment and used similar advertising with the intent of exploiting the plaintiff's reputation, because goodwill could not be acquired without actual user in England. This because he acquired without actual user in England. This decision has been criticised as wrongly decided and tenuous user in the United Kingdom has been treated as justification for protection of a reputation primarily acquired by trade abroad but the case has been cited with approval by the court of Appeal.

The extent to which a reputation acquired by trading abroad may be protected in the United Kingdom may depend to some extent upon whether a trade is to be treated as a matter of law as having a separate goodwill in each country in which he trades or whether the confining of goodwill to a particular country or area is a question of fact tending on the trade patterns and circumstances involved. If goodwill is to be treated as a matter of law as stopping at frontiers there may still be cases where the defendant's activities are likely to cause damage to the plaintiff's business in the country or countries where he trades."

Likewise, American Jurisprudence (74 American Jurisprudence 2nd, para 17 at pp 714-715) states this, on the subject:

"17. Territorial extent of rights;

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Although there is some authority to the effect that the right of property in a trademark is not limited in its enjoyment by territorial bounds, the general rule, in the absence of any statutory provision to the contrary, is that the right of markets wherein it has become established as such by actual use. It follows, under the general rule stated, that where the same mark or name has been lawfully adopted and used by different persons in different localities, neither may use the mark or name in competition with the other in territory which is already occupied by such other.

A foreign trade mark depends for its protection in a particular country, upon the law prevailing there, and will confer no rights except by consent of that law. While an alien owner of a trade mark will ordinarily be protected against infringement or unfair competition, the prior use of a trade mark in a foreign country does not entitle the owner thereof to claim exclusive trade mark rights in the United States as against one who, in good faith, had adopted a like trade mark for the same character of goods prior to the entry of the foreigner into the domestic market.

28. The Division Bench judgment, in *N.R. Dongre*, ILR (1996) 1 Del 333, summarized the applicable principles after reviewing a large number of authorities, in the following terms:

- (1) The knowledge and awareness of a trade mark in respect of the goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge and awareness of the same reaches even the shores of those countries where the goods have not been marketed.
- (2) Advertisement of a trade mark of a foreign trader in respect of a product need not be associated with the actual use of the product in order to establish reputation.
- (3) Thus a product and its trade name transcends the physical boundaries of a geographical region and acquires a transborder or overseas or extraterritorial reputation not only through import of goods but also by its advertisement; Indian travellers' awareness due to international travel, and circulation of advertisement in India can establish such transborder reputation;
- (4) The goods of the trader must be available, or accessible in India.

29. *Rob Mathys v. Synthes*, 1997 (PTC) 669 (Del) – judgment of the Division Bench of this Court, revisited the entire law, on the subject, and observed that:

"...another aspect which has to be kept in mind is that a person cannot be permitted to register a trade mark when he had no intention to use it in relation to the goods in respect of which it is sought to be registered or does not intend to use it in relation to such goods.

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Moreover the trans-border reputation or spillover reputation could not be accepted in India as the sole criteria for protection of a registered or unregistered trade mark. For registered trade mark there has to be user of the trade mark also. Even in N. R. Dongre v. Whirlpool Corporation 1996 (5) SCC 714 our Apex Court has not accepted it as the sole criteria. In para 16 of the judgment findings of the learned Single Judge (R. C. Lahoti, J. one of us) has been affirmed in appeal by a Division Bench of the High Court as well as by the Supreme Court. It is apparent that a trans border reputation or spill over reputation extending to India to the use of that trade name was coupled with numerous factors including the user prior to registration of that name even in India. In para 10 of the judgment at page 561 the following observation of Lahoti, J. has been quoted with approval :

"... Without expressing any opinion on the validity or otherwise of the reasons assigned by the plaintiffs for non renewal of the registration thereafter suffice it to say that in spite of non-registration of the trade mark in India, the plaintiff was trading in Whirlpool products in several parts of the world and also sending the same to India though in a limited circle.

Thus, need of the user of the trade mark in India by plaintiff/respondent No. 1 cannot be given a total go by.

The English authorities have consistently taken the view that goodwill means the business reputation and not generally in the wide world but locally in England acquired by actually carrying on business in England and by use of the trade name and trade mark in England. In the Budweiser case 1984 FSR 413 CA, the Court of Appeal held that sales in England meant sales to consumers in the general market in England and that sales of even substantial quantities of the imported and well-known American brand of beer to military and diplomatic establishments in England did not in any real sense amount to carrying on of business in England by that American Company. The English authorities are founded on the premises (i) that the passing off action is essentially an action to protect the goodwill of the plaintiff and prevent its invasion by the wrongful act of the defendant and (ii) that goodwill is the business asset of the plaintiff acquired in a particular country, where its protection is sought, by actually carrying on business there and by sales of goods bearing the trade mark. 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 country. If there is no goodwill of the plaintiff in England, there is nothing there to be protected by a passing off action, even if the plaintiff's business has valuable goodwill elsewhere in the world where it is carried on. Goodwill acquired in a country may, if the business is abandoned there, cease to exist in that country, although, the business may continue to be carried on in other countries.

"Budweiser" (supra) and the other English authorities did not find favor with Canadian, Australian and Irish Courts. Now a Single Judge of our own High Court in Apple

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Computer Inc. v. Apple Leasing, 1991(18) IPLR Delhi 63, has also observed in this regard as under :-

"It is not necessary in the context of the present day circumstances, the free exchange of information and advertising through newspapers, magazines, video, television, movies, freedom of travel between various parts of the world, to insist that a particular plaintiff must carry on business in a jurisdiction before improper use of its name or mark can be restrained by the Court ... In passing off cases, the main consideration is the likelihood of confusion and the consequential injury to the plaintiff, and the need to protect the public from deception, deliberate or otherwise. Where such confusion or deception is prima facie shown to exist, protection should be given by Courts to the name or mark or goodwill of the plaintiff."

In this regard, learned Counsel referred to a judgment of this Court in Blue Cross & Blue Shield Association v. Blue Cross Health Clinic & Ors. 1990 IPLR 92, amongst others. In that case, the plaintiffs had acquired ownership of trade-marks Blue Cross and Blue Shields as a result of business done in India and also as a result of large scale advertisement that was made by them in foreign periodical circulated in India. Plaintiffs had also entertained claims lodged by the subscribers in India and as a result, their marks had become well known in India. It was not a case based on purely spill over reputation or a transporter reputation alone.

In William Grant & Sons Ltd. v. McDowell & Co. Ltd. : 55 (1994) DLT80, also, learned Single Judge has taken note of the fact that the petitioners had developed a firm association and business in India. They signed agreements with several firms ... and therefore again that was not a case of purely transporter reputation.

From the above, while it is apparent that transborder reputation is taken into consideration, but not without there being any evidence of use in this very country.

30. The endeavour of ROCA has been primarily to say that since it is a registered trademark proprietor, and has an international reputation, temporary injunction must follow. Though attractive, a bland and mechanical incantation of such reputation is insufficient. Authorities have clarified that there should be some objective material to show that the brand seeking protection was known to the Indian consumer public. The clear pointer here is to advertisements. Now, in the case of consumer durables, or even luxury personal items such as toiletries, clothing, liquor, etc, circulation of magazines which are not published in India, can be pointers to use, since international travel has become commonplace with a sizeable section of the people. Nevertheless the availability of such magazines and periodicals and the nature of the product has to be considered by the Court, while evaluating the material, even for the purpose of temporary

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injunction. Now, in this case, ROCA has undoubtedly placed on the record copies of some magazines. However, curiously, all the magazines are in Spanish or French. ROCA has not shown if these foreign language magazines are readily available, or are accessed by members of the public generally, or even the class of consumers who normally purchase such "niche" goods which it markets. In these set of facts, to solely base a decision on the assumption of such circulation of the magazines in India, would be imprudent and unfeasible. Another aspect that the Court cannot overlook is that ROCA, has not placed any material of significance, showing that till recently it had any substantial presence in the Indian market. It was exporting products, for specific customers, usually hotels, on demand. Its class of customers – as available from the record is perhaps institutional, and corporate. It has also not shown any evidence about the costing of its goods, in India. In these circumstances, it is hard to conclude that it had a presence in the Indian ceramic tiles market, at the relevant time as a brand and occupied a market share. The material does point to a degree of exclusive clientele. Having regard to all these facts, it is held that ROCA has been unable to establish any significant presence in India, much less since 1979. It apparently has established some presence after it invested in Parryware. In the light of these circumstances, it is held disentitled to any injunction at this stage.

31. As far as ROMA's injunction application is concerned, there is no dispute that the corporate name is not ROKA, or ROCA, or any mark resembling it. The ROKA mark appears to have been adopted in 1996. The explanation given for use of ROKA, i.e. the names of children of a founder director, though plausible, is unconvincing. The idea of coining such a term, originally, when a foreign manufacturer for the same and allied products existed in Spain, is too fantastic a coincidence, more capable of inspiring disbelief than belief. There is no dispute that it imports goods from China, fixes the ROKA labels, and sells them. In support of its claim for user and brand awareness, reliance is placed on some copies of advertisements from various magazines such as RAGINI, FASHION BLOOM, COSMOPOLITAN, 4th D WOMAN, AD ARCHITECTURE, SOURCING HARDWARE, DESIGN TODAY, DESIGNER TODAY, INDIA DESIGNER INTERIOR. etc. These advertisements are said to be for the period November 2005 to July 2006. In the suit, the claim is that for the year 2004-05, the total sales figures and advertisement figures were Rs. 3,11,46,328/- and the corresponding figure for Rs.42,902,608/-. It is unclear as to what are the sales figures, and what constitute advertisement expenses.

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32. This Court is mindful of the fact that both the suits are really passing off actions, and the principles applicable in the case are those indicated in *Cadila*. The Supreme Court had indicated an important factor that has to be considered:

"(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods."

Neither ROCA, nor ROMA has cared to adduce any evidence to assist the Court in discerning what kind of clientele they have. Mere sales figures may not be sufficient, in the case of tiles and other such products. Dealer networks, price lists, evidence of consumer confusion, etc. would be needed to establish confusion or likelihood of confusion. In the case of ROMA, the materials suggest sales to retailers and commercial purchasers. These are insufficient --having due regard to the period of advertisement claimed by it in the case -- to establish any kind of brand awareness or distinctiveness. For these reasons, its claim for injunction cannot succeed.

33. In view of the above *prima facie* conclusions of the Court, IA. No. 4171/2006 and I.A. No. 8136/2008 (both under Order 39 Rule 1 & 2) in CS(OS) 626/2006 and IA No. 13355/2009 (under Order 39 Rules 1 & 2) in CS(OS) 2223/2006 are rejected, with no order as to costs.

MARCH 15, 2010

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(S. RAVINDRA BHAT)

JUDGE