

\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **FAO(OS) No. 352/2010**

% Reserved on: 28<sup>th</sup> September, 2010

Pronounced on: 1<sup>st</sup> November, 2010

MARICO LIMITED

..... Appellant/Plaintiff

Through: Mr. Sudhir Chandra Agarwal,  
Senior Advocate with Mr.  
Sandeep Sethi, Senior Advocate,  
Mr. Rahul Chaudhry, Advocate,  
Mr. Sumit Wadhwa, Advocate  
and Mr. Amritesh Mishra,  
Advocate.

VERSUS

AGRO TECH FOODS LIMITED

....Respondent/Defendant

Through: Mr. V.P. Singh, Senior Advocate  
with Mr. Dhruv Anand,  
Advocate.

**CORAM:**

**HON'BLE MR. JUSTICE SANJAY KISHAN KAUL**

**HON'BLE MR. JUSTICE VALMIKI J. MEHTA**

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

### **JUDGMENT**

**VALMIKI J. MEHTA, J**

1. The present appeal has been filed with a prayer to set aside the order passed by the learned Single Judge of this court on 23.4.2010 disposing of an application for injunction filed by the appellant/plaintiff

in a suit for infringement of trademark, passing off, dilution etc., and by which order the learned Single Judge dismissed the injunction application of the plaintiff. By the impugned order, the learned Single Judge also allowed the application of the respondent/defendant for vacation of the injunction and vacated the ex parte interim order dated 28.8.2009. By the impugned order the learned Single judge has held that no case for infringement is made out on account of the use of the expression "LOW ABSORB" by the respondent-defendant which was alleged to be deceptively similar to the registered trademarks "LOSORB" and "LO-SORB" of the appellant-plaintiff. The learned Single Judge also held that use of the expression "LOW ABSORB" by the defendant will not amount to passing off although the plaintiff also claimed a right in the unregistered trademark "LOW ABSORB".

2. The relevant facts of the case are that appellant-plaintiff got registered the Trademarks "LOSORB" and "LO-SORB" for different products in class-29 viz Oil, Ghee etc. effective from 28.05.2001. The appellant claimed that it coined the word marks which have been registered by it. The registered marks were used in relation to edible oil inasmuch as the edible oil contained an ingredient/anti foaming agent by which less or low oil was consumed by the product made by use of the edible oil. The edible oil sold also used the trademarks "Sweekar" & "Saffola" besides the subject registered trademarks "LOSORB" and LO-SORB". The appellant in the plaint has referred to its extensive sales of the product by using of the registered trademarks

and also reference has been made to large amounts spent towards advertisements. The relevant paras of the plaint are paras 11 and 12 which read as under:

**“11.** Given below are the sales figures for the edible oil on which LOW ABSORB and/or LOSORB marks(s) were used for the period October 2001-Quarter I of FY 2010:

FINANCIAL YEAR	MONTHS	VOLUME	VALUE (IN CRORES)
2001-02	April to March	21898	102.48
2002-03	April to March	19665	92.41
2003-04	April to March	20865	120.86
2004-05	April to March	19797	116.10
2005-06	April to March	31414	195.55
2006-07	April to March	46554	323.49
2007-08	April to March	54097	424.11
2008-09	April to March	57235	515.43
2009-10	Quarter I	16766	131.10

The above figures have been taken from the books and records maintained by the Plaintiff in the ordinary course of business and have been verified to be correct.

**12.** The Plaintiff has incurred huge amounts in promoting its edible oil bearing trademarks LOW ABSORB and/or LOSORB and in popularizing the said trademarks. Given below are the sales promotional figures incurred by the Plaintiff in advertising its edible oil bearing the aforesaid trademark(s) for the period October, 2005-March, 2009:

FINANCIAL YEAR	MONTHS	TELEVISION ADVERTISEMENTS TOTAL (IN LAKHS)	POS MATERIAL AND VISIBILITY TOTAL (IN LAKHS)

2005-06	October March	to	390	49
2006-07	April March	to	999	83
2007-08	April March	to	891	383
2008-09	April March	to	954	559

The above figures have been taken from the books and records maintained by the Plaintiff in the ordinary course of business and have been verified to be correct.”

3. The defendant is selling its edible oil/Sunflower seeds oil under the trademark “Sundrop” and since this edible oil also contains an anti-foaming agent, which in turn, retards the absorption of oil during the process of frying food stuffs, therefore, the packaging also contains the expression “WITH LOW ABSORB TECHNOLOGY”.

4. Two basic issues arise for decision in the present appeal along with incidental and related issues. The **first** issue is on the aspect of infringement i.e. whether the appellant’s registration gives it exclusive right to use the subject trademarks “LOSORB” and “LO-SORB” and consequently whether an action for infringement is maintainable if a person such as the respondent uses a trademark which is deceptively similar or nearly identical or identical to the registered trademarks. Included in this first issue is the aspect of whether registration only confers prima facie validity and thereby does not prevent the court from denying the injunction in spite of registration. Further, assuming

that registration is final would the appellant be entitled to the reliefs of injunction with regard to its claims of infringement once the respondent lays out a valid defence under the applicable provisions of the Trademarks Act, 1999 (hereinafter referred to as the "Act") which inter alia, include Section 30(2) (a) and Section 35 thereof i.e. the use of the words by the respondent, which words are claimed by the appellant as its trademarks are statutorily permissible as the use is only in a descriptive manner. The **second** issue is the issue with regard to claim of the appellant pertaining to passing off and the issue is whether the respondent's user of the expression "LOW ABOSORB TECHNOLOGY" in relation to its edible oil product amounts to passing off the goods of the appellant which uses the unregistered trademark "LOW ABSORB". We also would like to state that on quite a few aspects of "passing of" and "infringement" there will be commonality of the ratios and thus dovetailing on these common aspects.

### **PASSING OF ACTION**

5. Since, the second issue is now almost entirely covered by a decision of a Division Bench of this Court reported as ***Cadila Healthcare Ltd. Vs. Gujrat Co-operative Milk Marketing Federation Ltd & Ors 2009 (41) PTC 336: 2009 (8) AD (Delhi) 350*** we shall therefore deal with it first. We are consciously using "almost entirely" because there is one major difference in the case of ***Cadila Healthcare Ltd. (supra)*** and the present case on the issue of

passing off being that the products in the case of **Cadila Healthcare Ltd.** of the two parties were different, but in the present case the products are identical. The Division Bench in the judgment of **Cadila Healthcare Ltd. (supra)** was concerned with a passing off an action with respect to the trademark “Sugar Free” which was used by the plaintiff therein with respect to an artificial sweetener acting as a substitute for natural sugar and the defendant was selling a frozen desert with the Trademark “Amul” and describing its product as “Sugar Free”. The Division Bench has held that expression “Sugar Free” is basically a descriptive and generic expression. The Division Bench has further held that it cannot be said to be a coined word. The Division Bench in effect has held that there cannot an exclusive ownership granted to a person with respect to expression “Sugar Free”, i.e., there cannot be claim of exclusive user of the expression “Sugar Free” as a trademark with respect to all other products which were not artificial sweeteners assuming that the plaintiff may have distinctiveness with respect to its trademark for artificial sweeteners. The relevant paras of the judgment **Cadila Healthcare Ltd. (supra)** which contain the ratio are para Nos.8 to 11 and 14 which read as under:

**8.** In our view, at this juncture i.e. at the interim stage, even assuming distinctiveness claimed by the appellant in its favor qua its artificial sweetener, the appellant has rightly been declined an injunction by the learned Single Judge since it is evident and has indeed been found by the learned Single Judge that the use of the term ‘Sugar Free’ by the respondent is not in the trademark sense but as a common descriptive adjective. The learned Single Judge has found and in our view rightly that the

respondent has not used the expression in a trademark sense but only in a descriptive sense in the following passage: -

“54. It is important to be borne in mind that use of a descriptive expression as a trademark by a trader, irrespective of the said trademark having acquired a secondary meaning and distinctiveness in relation to the trader's products, does not entitle such trader from precluding other traders from using the said expression for the purposes of describing the characteristic features of their products. I have no hesitation in stating, albeit without prejudice to the rights and interests of the plaintiff in the present suit, that by adopting such a purely descriptive and laudatory expression 'Sugar Free' as its trademark, the plaintiff must be prepared to tolerate some degree of confusion which is inevitable owing to the wide spread use of such trademark by fellow competitors. Simply because the plaintiff claims to be using the expression 'Sugar Free' as a trademark much prior to the launch of the defendant's product Pro Biotic Frozen Dessert in the market does not give this Court a good ground for imposing a blanket injunction on the defendant from using the expression 'Sugar Free', especially when the defendant intends to use this expression only in its descriptive sense and not as a trademark, and even otherwise, when the use of this expression is widespread in relation to foods and beverages”

We fully agree with and reaffirm the said finding.

9. We are unable to hold that the appellant's trademark 'Sugar Free' is a coined word; at best it is a combination of two popular English words. The mere fact that the appellant's product cannot be directly consumed or eaten and merely is an additive does not detract from the descriptive nature of the trademark. Once a common phrase in the English language which directly describes the product is adopted by a business enterprise, such adoption naturally entails the risk that others in the field would also be entitled to use such phrases provided no attempt is made to ride on the band wagon of the appellant's indubitably market leading product 'Sugar Free'. In this connection, merely because the attributes of 'sugar free' can be described by other phrases cannot detract from the common usage of the phrase 'Sugar Free' as denoting products which do not contain sugar and any trader which adopts

such mark in the market place, does so with the clear knowledge of the possibility of other traders also using the said mark. That is precisely the reason for the denial of protection to such marks by refusing registration as envisaged by Sections 9, 30 and 35 of the Act. The said Sections read as follows: -

**“9. Absolute grounds for refusal of registration.—**

(1) The trademarks—

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

*(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;*

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:

Provided that a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trademark.

**30. Limits on effect of registered trademark.—(1)**

Nothing in Section 29 shall be construed as preventing the use of a registered trademark by any person for the purposes of identifying goods or services as those of the proprietor provided the use—

(a) is in accordance with honest practices in industrial or commercial matters, and

(b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trademark.

(2) A registered trademark is not infringed where—

*(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value,*

*geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;*

**35. Saving for use of name, address or description of goods or services.**—Nothing in this Act shall entitle the proprietor or a registered user of a registered trademark to interfere with any *bona fide* use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any *bona fide* description of the character or quality of his goods or services.¶  
**(emphasis supplied)**

Thus, it is clear that the mark or indication which serves to designate the quality of the goods of the appellant, which indeed the phrase ‘Sugar Free’ does, would be an absolute ground for refusal of registration of a mark unless it has acquired a distinctive character. The expression can at best be said distinctive qua the artificial sweetener of the appellant and mere starting of the marketing of the drink ‘sugar free D’lite’ cannot give the appellant the right to claim distinctiveness in the expression ‘Sugar Free’ in relation to all the food products.

**10.** The learned Senior Counsel for the appellant has relied upon a plethora of judgments including the decision of the European Court of Justice in **Baby Dry** (supra) to claim that the expression ‘Sugar Free’ is a coined word and is distinctive in nature. Apart from the fact that the law laid down in the case of **Baby Dry** is not binding on us, it is also relevant to notice that in the said case the court permitted the registration on the basis of the categorical findings that the expression ‘Baby Dry’ was a syntactically unusual juxtaposition of two independent English words and was not a familiar expression in the English language. In our view, the expression ‘Sugar Free’ is neither a coined word nor an unusual juxtaposition of two English words especially when such expressions are commonly used, both in written, as well as spoken English, for example, — “hands-free” (for mobile phones) and “fat free” (for food articles) and thus cannot be permitted exclusive use for only the appellant’s product.

**11.** The appellant has relied upon the case of **Godfrey Philips India Ltd.** (supra) wherein it was held that a descriptive trademark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or has been from a particular source. It is also relevant to mention here the judgment of **Home Solutions** (supra) was also relied upon by the respondents, wherein it was held that —*the expression “HOMESOLUTIONS” is inherently incapable of becoming distinctive of any single person with respect of any single product or service. It is generic and publici juris. It describes the nature of services offered.*” Thus, in our view, the mark ‘Sugar Free’ is inherently incapable of becoming distinctive of the product of the appellant and hence the ratio of Godfrey Philips would thus not be applicable. Even if it is assumed that the mark of the appellant has become distinctive qua the artificial sweetener, however, the protection to the mark qua the product artificial sweetener cannot be extended to all the food products of any competitor in the market. We also affirm and reiterate the view taken by the learned Single Judge that the appellant’s product is a sweetener/sugar substitute, and sweeteners are generally understood in their functional sense, that is, in terms of utility when added to foods and beverages. To an average consumer, a sweetener is known to exist only when added to food and beverages, and its own identity gets merged in the food and beverages to which it is added. Thus, the expression ‘Sugar Free’ when used in relation to a sweetener may really describe a sweetener in the sense of its generic meaning, and what it connotes is the specific nature and characteristics of the product.

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**14.** In consonance with the above view we are also not in a position to agree with the appellant that the word ‘Sugar Free’ has become so distinctive of the sugar substitute and has acquired such a secondary meaning in the sugar substitute market that it cannot refer to any other food product except the appellant’s sugar substituted product labelled ‘Sugar Free’. There cannot be any doubt that the word ‘sugar free’ is not inherently distinctive and is clearly descriptive in nature. In fact, the word ‘Sugar Free’ in essence clearly only describes

the characteristics of the appellant's product and therefore, cannot afford it the protection sought in the plaint by restraining the respondent from using the phrase 'sugar free'. 'Sugar Free', prima facie has not attained any distinctiveness, as alleged by the appellant outside the field of sugar substitute artificial sweeteners and the appellant would not be entitled to exclusively claim the user of the expression 'sugar free' in respect of any product beyond its range of products and the respondent cannot be restrained from absolutely using the expression 'Sugar Free', particularly in the descriptive sense. A mere descriptive usage of the expression 'Sugar Free' by the respondent may thus blunt the edge of claim of distinctiveness by the appellant. However, we make it clear that if any party enters into the domain of artificial sweeteners with the trademark 'Sugar Free' the appellant may have a just cause in seeking restraint."

(Emphasis has been added by us)

6. In view of the judgment of the Division Bench in the **Cadila Healthcare Ltd. (supra)**, and with which we respectfully agree, the appellant in the facts of the present case can have no exclusive ownership rights on the trademark "LOW ABSORB". The expression "LOW ABSORB" is quite clearly a common descriptive expression/adjective. The expression "LOW ABSORB " is not a coined word and at best it is a combination of two popular English words which are descriptive of the nature of the product as held by the Division Bench in **Cadila Healthcare Ltd. (supra)** case that such adoption naturally entails the risk that others in the field would also be entitled to use such phrases. Low Absorb is not an unusual syntax and the same can almost be said to be a meaningful part sentence or phrase in itself. The expression "LOW ABSORB" surely and immediately conveys the meaning of the expression that something which absorbs less, and

when used with respect to edible oil, it is descriptive in that it refers to less oil being absorbed or low oil being absorbed. Similar to the expression “Sugar Free” being not an unusual juxtaposition of two English words the expression “LOW ABSORB” equally is not an unusual juxtaposition of words in that the same can take away the descriptive nature of the expression. The expression “LOW ABSORB” is used in the functional sense for the character of the product viz edible oil. With respect to the unregistered trademark “LOW ABSORB” we are of the firm opinion that in essence the expression “LOW ABSORB” only describes the characteristic of the product edible oil and ordinarily/ normally incapable of being distinctive.

We are also of the view that it is high time that those persons who are first of the blocks in using a trade mark which is a purely descriptive expression pertaining to the subject product ought to be discouraged from appropriating a descriptive expression or an expression which is more or less a descriptive expression as found in the English language for claiming the same to be an exclusive trademark and which descriptive word mark bears an indication to the product’s kind, quality, use or characteristic etc. This in our view is in accordance with the spirit of various sub sections of Section 9 and Section 30 besides also Section 35 of the Act. The very fact that in terms of Section 9 of the Act, in cases falling therein, there is an absolute ground for refusal of registration of the trademark, the same clearly is an indication of ordinarily a disentitlement from claiming

exclusive ownership of a descriptive expression as a trademark. We are in this entire judgment for the sake of convenience only using the expression 'descriptive expression' or 'descriptive word' or 'descriptive trademark' 'descriptive' etc. but these expressions are intended to cover cases with respect not only to a descriptive word mark used as a trademark but to all word marks used as trademarks which refer to kind, quality, intended use or other characteristics etc of the goods, and also other ingredients of Section 9(1) (b) and Section 30 (2) (a).

The aforesaid observations are made by us mindful of the proviso of Section 9 as per which on account of distinctiveness, the absolute bar against registration is removed, but, we are for the present stressing on the intendment of the main part of the Section and which is to basically prevent descriptive terms from being registered as trademarks. The proviso no doubt does state that such marks can be registered as a trademarks, however, the Act itself also contains provisions for cancellation of registered trademarks including Section 57 whereby registration obtained is cancelled being violative of the applicable provisions of the Act. Our belief is further confirmed by the provision of Section 31(1) which clearly states that registration is only prima facie evidence of the validity of registration. It is only when cancellation proceedings achieve finality of the same being finally dismissed can it be said that a mark for which ordinarily there is an absolute ground for refusal of registration that it has acquired a distinctive character i.e. a secondary meaning or is a well known

trademark. Section 124 of the Act is also relevant in this regard. Sub section 5 of Section 124 clearly provides that in spite of registration, the Court before which an action is filed seeking protection of the trademark is not precluded from making any interlocutory order it thinks fit in spite of the registration and also the fact that the suit may have to be stayed till decision of the rectification/cancellation proceedings before the Registrar/Appellate Board filed in terms of Section 57 of the Act. This aspect of Section 124(5) and related aspects are dealt in details in the following portions of this judgment. The facts of the present case are not such that a cancellation proceeding has been dismissed and that which dismissal has obtained finality and it cannot be said that the validity of registration has been finally tested.

7. An important aspect with respect to the issue of passing of is that the respondent is selling its product with a prominent trademark “Sundrop” and which appears on the packaging of the respondent in a very prominent size, much larger than the size of the expression “LOW ABSORB TECHNOLOGY”. The colour scheme of the respective packaging is also wholly different. Appellant’s colour scheme is orange and the respondent’s blue. Merely because, the consumers are same and the trade channel same, it cannot be said that in the facts and circumstances of the case, there is a possibility of confusion, because there are more than enough differentiating features on the packaging so as to avoid any issue of the respondent passing of its goods as that

of the appellant. For the sake of convenience the three packages in colour are reproduced below:-







# SWEEKAR

Reduces amount of oil absorbed by food

Introducing a New Generation of refined sunflower oil: New Sweekar 'Low Absorb Oil'. Scientific tests have proved that New Sweekar is absorbed less by food, compared to other refined oils, due to Losorb™ technology. So your body takes in less oil. It gives you food that's full of taste and nourishment, not full of oil. No wonder, smart Home Managers prefer New Sweekar over any other refined sunflower oil.

Sweekar Nutrition Information	
100g of Product provides approx.	
Energy	900 Kcal
Protein	0 g
Carbohydrate	0 g
Total Fat	100 g
Saturated fatty acid	9.1 g
Monounsaturated fatty acid	25.1 g
Polysaturated fatty acid	66.2 g
Trans fatty acid	0 g
Cholesterol	0 mg

\* Based on ICMR/ICMR, Nutritive Value of Indian Food.

INGREDIENTS: REFINED SUNFLOWER OIL



89010884000857

MRP. Rs. 439/-    LOT JJ-010- S  
PKD. 10/05/09    18:46

Losorb™ is the trademark of Marico Limited.

Thus the conclusion of the above is that, even though the two respective products of the parties are identical viz edible oil, it

cannot be said that the respondent is passing off its goods as that of the appellant-plaintiff.

8. The question now remains is whether in spite of the Trademark of the appellant "LOW ABSORB" being a descriptive Trademark, has the appellant established its case at this interlocutory stage of its Trademark becoming so distinctive that it can claim exclusive right and monopoly in the same by virtue of the proviso to Section 9. There are two important parts of this aspect/issue. The first part is what is the meaning to be ascribed to the expression 'distinctive' as found in the proviso to Section 9 and the second aspect is whether the Trademark of the appellant has in fact become distinctive.

The word 'distinctive' is not directly defined in the Act. However meaning of distinctive is indicated in the definitions of 'trade-mark' (Section 2(zb) & 'well known trade mark' (Section 2(zg)). The word has been explained in a plethora of judgments. Distinctive has been explained to mean such use of the trademark with respect to the goods of a person that the public will immediately and unmistakably co-relate the mark with the source or a particular manufacturer/owner thereof. The real issue which however arises is what should be the meaning of the expression 'distinctiveness' in the situation when the trademark is a word mark of descriptive nature. When a trademark, which is a word mark, is arbitrarily adapted and is such having no co-relation to the goods in question, then in such a case distinctiveness is

achieved by normal and ordinary use of the trademark with respect to the goods and it has been repeatedly held that such trademark is entitled to the highest degree of protection. However this is not and cannot /should not be so for a trademark which is a descriptive word mark. Some colour has to be taken for the word 'distinctive' as found in the proviso to Section 9 from the expression 'well known trademark' which follows the distinctiveness aspect as found in the said proviso. Courts should ordinarily lean against holding distinctiveness of a descriptive trademark unless the user of such trademark is over such a long period of time of many many years that even a descriptive word mark is unmistakably and only and only relatable to one and only source i.e. the same has acquired a secondary meaning. A case in point is the use of 'Glucon-D' for 60 years in the recent judgment in the case of **Heinz Italia and Another Vs. Dabur India Ltd. (2007) 6 SCC 1**. A period of 60 years is indeed a long period of time and thus distinctiveness of the descriptive word mark used as a trademark was accepted, albeit in a tweaked form of the normal descriptive word 'Glucose'. Therefore, when the descriptive trademark is used only by one person undisturbed for a very long period of time, without anyone else attempting to use the trademark during this long period time, a case can be established of a descriptive word having achieved distinctiveness and a secondary meaning.

We must hasten to add that merely because the person first of the blocks in adapting a descriptive trademark files legal actions and

temporarily prevents or seeks to prevent others from using the descriptive trademark cannot mean that there is undisturbed user of the trademark. Once others claim a right to the descriptive trademark before the end of the long period essential for a descriptive trademark to become distinctive then the original user of a descriptive trademark cannot ordinarily establish 'distinctiveness'.

Ultimately everything will turn on the facts of each individual case and in some cases the facts may be wholly clear even at the interim stage of deciding an interlocutory application, in other cases (which are bound to be in a majority) a decision on distinctiveness can only be made after evidence is led by the parties. This is also so held by the Supreme Court in the 'Super Cup' case reported as **Godfrey Philips India Ltd. Vs. Girnar Food & Beverages (P) Ltd. (2004) 5 SCC 257** that distinctiveness is an issue to be established or examined in the facts of each particular case i.e. the evidence has to be evaluated in the facts of each individual case.

When we turn to the facts of the present case, we find that user is only of about seven years since 2001 and which user even as per the stated sales cannot be said to be such user qua a descriptive expression 'LOW ABSORB' that it can be said that the appellant has got such distinctiveness to claim exclusive monopoly of the same as a trademark keeping in mind the observations made above of

discouraging appropriation of descriptive words and expressions. Also, the extent of sales i.e. value of sales can sometimes be deceptive in cases such as the present where the appellant also uses other trademarks such as 'Sweekar' & 'Saffola'. It would be a moot point, to be decided after trial, that what is the extent of sales relatable to "LOW ABSORB" only (and even for the registered marks "LOSORB" and "LO-SORB") and not because of the trade marks 'Sweekar' and 'Saffola'. We, therefore, at this stage of interim injunction reject the case of the appellant that it has achieved such distinctiveness that it can claim the benefit of the proviso to Section 9 with respect to the subject word mark which is a descriptive trademark.

9. The result of the aforesaid is that the learned Single Judge was justified in declining the relief of injunction on the ground of passing off. Additionally as stated by us above, in the facts of the present case there is no question of claiming any exclusive ownership right in the expression "LOW ABSORB" and therefore, consequently, there arises no question of successfully maintaining a passing of action on that basis. There are also other added factors and circumstances, as narrated above, to hold that there is no question of passing of in the present case.

### **INFRINGEMENT ACTION**

10. That takes us to the main issue which was argued in the present case being the first issue of whether the appellant by virtue of the

registrations has got an exclusive right to use the expressions “LOSORB” and “LO-SORB” and is thereby entitled to prevent anyone else from using any trade mark which is identical or deceptively similar to the registered trademarks.

11. The learned senior counsels for the appellant placed reliance on the provisions of Section 2(h), (defining deceptively similar), Section 2(zb), (defining a trademark), Section 9 proviso (entitlement of registration of a descriptive trademark on it becoming distinctive), Section 29 (entitling action for infringement against a defendant for user of a deceptively similar trademark), Section 31 (registration being prima facie evidence of validity, and disentitlement to question registration in infringement proceedings), Section 35 (disentitlement of the respondent to use the mark as a descriptive word/expression on account of lack of bonafides) and Section 124 (for the argument that the defendant has not applied for cancellation of the registered trademark of the plaintiff and therefore the consequent entitlement to injunction on account of prima facie validity of the trademark).

In response, reliance has been placed by the learned senior counsel appearing on behalf of the respondent to Section 9(1) (b), (which indicate disentitlement for registration of words which indicate kind, quality, intended purpose etc, of the goods), Section 28, (to contend that a right to infringement action is only if the registration is valid), Section 30 (2) (a), and Section 35 (in support of the argument of

entitlement of the respondent to use such words which describe the kind, quality and intended purposes etc of the goods although, the said word mark is also used as a trademark by the appellant, and also that right under Section 30 (2) (a) is independent of Section 35). Section 124 (5) (disentitlement of injunction in spite of registration and the entitlement of the court to pass any interlocutory order as it deems fit).

12. The aforesaid sections are reproduced hereinafter.

**“Section 2(h) “deceptively similar”.-** A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion;

**Section 2(zb) “trademark”** means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and

(i) in relation to Chapter XII (other than section 107), a registered trademark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trademark or collective mark;

**Section 2(2) (c) to the use of a mark,-**

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;

(ii) in relation to services, shall be construed as a reference to the use of the mark as or part of any statement about the availability, provision or performance of such services;

**Section 9. Absolute grounds for refusal of registration.-**

(1) The trademarks -

(a) Which are devoid of any distinctive character, that is to say, not capable of distinguishing the good or services of one person from those of another person.

(b) Which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service.

(c) Which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade.

Shall not be registered :

Provided that a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trademark.

(2). A mark shall not be registered as a trademark if-

(a) it is of such nature as to deceive the public or cause confusion.

(b) It contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India.

(c) It comprises or contains scandalous or obscene matter.

(d) Its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 (12 of 1950).

(3). A mark shall not be registered as a trademark if it consists exclusively of-

(a) the shape of goods which results from the nature of the goods themselves. Or

(b) the shape of good which is necessary to obtain a technical result, or

(c) the shape which gives substantial value of the goods.

Explanation.- For the purposes of this section, the nature of goods or services in relation to which the trademark is used to

proposed to be used shall not be a ground for refusal of registration.

**Section 28. Rights conferred by registration.-** (1) Subject to the other provisions of this Act, the registration of a trademark shall, if valid, give to the registered proprietor of the trademark the exclusive right to the use of the trademark in relation to the goods or service in respect of which the trademark is registered and to obtain relief in respect of infringement of the trademark in the manner provided by this Act.

(2) The exclusive right to the use of a trademark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trademarks but each of those persons have otherwise the same rights as against other persons (not being registered proprietor).

**Section 29. Infringement of registered trademarks.-** (1) A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trademark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark.

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

(a) its identity with the registered trademark and the similarity of the goods or services covered by such registered trademark or,

(b) its similarity to the registered trademark and the identity or similarity of the goods or services covered by such registered trademark, or

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

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

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

(a) is identical with or similar to the registered trademark, and

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

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

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

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

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

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

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

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

(7) A registered trademark is infringed by a person who applies such registered trademark to a material intended to be used for labeling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

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

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

(b) is detrimental to its distinctive character, or

(c) is against the reputation of the trademark

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

**Section 30. Limits of effect of registered trademark.-** (1) Nothing in section 29 shall be construed as preventing the use of a registered trademark by any person for the purposes of identifying goods or services as those of the proprietor provided the use-

xxxxxxx

(2) A registered trademark is not infringed where-

(a) the use in relation to goods or services indicated the kind, quality, quantity, intended purposes, value, geographical origin, the time of production of goods or rendering of services or other characteristics of goods or services.

**Section 31. Registration to be prima facie evidence of validity.-** (1) In all legal proceedings relating to a trademark registered under this Act (including applications under section 57), the original registration of the trademark and of all subsequent assignments and transmissions of the trademark shall be prima facie evidence of the validity thereof.

(2) In all legal proceeding as aforesaid a registered trademark shall not be held to be invalid on the ground that it was not a registrable trademark under section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trademark had been so used by the registered proprietor or his predecessor in title as to have become distinctive at the date of registration

**Section 35. Saving for use of name, address or description of goods or services.-** Nothing in this Act shall entitle the proprietor or a registered user of a registered trademark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.

**124. Stay of proceedings where the validity of registration of the trademark is questioned, etc.-** (1) Where in any suit for infringement of a trademark - (a) the defendant pleads that registration of the plaintiff's trademark is invalid, or

(b) the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trademark.

The court trying the suit (hereinafter referred to as the court) shall,- (i) if any proceedings for rectification of the register in relation to the plaintiffs or defendant's trademark are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings.

(ii) If no such proceedings are pending and the court is relation to the plaintiffs or defendant's trademark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) (ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trademark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trademark.

(5) The stay of a suit for the infringement of a trademark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit."

13. A reading of the aforesaid sections taken together show that:

A trademark is ordinarily used in relation to goods of a manufacturer. A trademark can be registered but ordinarily registration

is not granted if the mark falls under sub-sections 1(a) to 1(c) of Section 9. The proviso however, provides for entitlement to registration although ordinarily not permissible under Sections 9 (1) (a) to (c), provided that the mark has acquired a distinctive character as a result of its use prior to registration or is otherwise a well known trademark. Registration is only prima facie evidence of its validity and the presumption of prima facie validity of registration is only a rebuttable presumption, see para 31 of ***N.R. Dongre Vs. Whirlpool Corp. 1995 (34) DRJ 109 (DB)***. The right conferred by registration for exclusive use of the trademark in relation to goods is if the registration is valid and which flows from the expression “if valid” occurring in Section 28. The expression “if valid” has been inserted for the purpose that post registration an aggrieved person is entitled to apply for cancellation under Section 57 of the Act even if no suit is filed alleging infringement of the registered trademark. In case a suit is instituted, the court, once there is already a pending action seeking cancellation of the trademark, will stay the suit till the final disposal of the cancellation/rectification proceedings. The court however is still entitled to, in spite of registration, pass any interlocutory order as it deems fit, including but not limited to, granting the injunction or dismissing the prayer for injunction. If no cancellation proceedings are pending as on the date of filing of a suit for infringement if the court is satisfied with regard to the plea of invalidity of registration (this language of Section 124(1) (a) (i) co-relates to the expression “if valid”

as occurring in Section 28) then the court may raise an issue in the suit and adjourn the case for three months after framing the issues in order to enable the defendant to apply to the Appellate Board for rectification of the register. Even in the circumstances where the court stays the suit for three months and permits a party to apply for cancellation/rectification, the court can pass any interlocutory order as it thinks fit under sub-section 5 of Section 124.

In view of the co-relation between Section 28 and different sub-sections of Section 124, it becomes clear that the entitlement to claim invalidity of registration on the ground of the expression “if valid” as found under Section 28 only arises if the defendant in his written statement in a suit alleging infringement of a registered trademark takes up the plea with respect to registration of trademark being “invalid” or has already applied for cancellation of the registered trademark before the suit alleging infringement is filed.

Section 29 entitles an action being filed for infringement of a registered trademark against an identical, nearly identical or deceptively similar trademark used in relation to the same goods in respect of which the trademark is registered or to similar goods. In case, the trademark is not identical and the goods are also not the same for which the trademark is registered, an infringement action will only lie if the conditions of sub-section 4 of Section 29 are satisfied being of the registered trademark having a reputation in India and the

use of the registered trademark without due cause takes unfair advantage or is detrimental to the distinctive character or repute of the registered trademark. Sections 30 and 35 entitle a person to use the registered trademark if the conditions mentioned in those sections are satisfied, meaning thereby, in spite of registration, and in spite of the statutory rights conferred by Sections 28 and 29, an owner of a registered trademark cannot sue for infringement if the use by the defendant of the trademark falls within the exceptions as carved out under various sub-sections of Section 30 and Section 35. That this is so becomes absolutely clear from the expressions “nothing in Section 29 shall be construed as preventing the use of the registered trademark..” as appearing in Section 30, and “nothing in this Act shall entitle the proprietor or a registered user of a registered trademark ...” as appearing in Section 35. Included in Section 30, is disentitlement to an infringement action in spite of registration of the trademark where the use of the registered trademark is in relation to the goods to indicate the kind, quality, intended purpose etc, or other characteristics of the goods. Therefore there are two stages/tiers of defence in an infringement action. The first is for cancellation of registration in terms of Section 57. If the registration is cancelled obviously nothing will survive in the infringement action. The second tier is that even if the registration is valid there are still valid defences as enunciated in Sections 30 to 35 of the Act which will disentitle the plaintiff to relief in an action brought for infringement of a registered trade mark.

14. In view of the aforesaid legal position, the first issue which arises is whether the learned Single Judge was justified in holding that he was entitled to look into the validity of registration of the trademark. Of course, we must hasten to add we are doing so and so has the learned Single Judge done, only for the purpose of deciding the interlocutory application for grant or refusal of injunction and as envisaged in Section 124(5).

In the facts of the present case, we find that the injunction application was disposed of at a stage when the defendant filed an application for vacation of the injunction and no written statement of the defendant was on record. As already discussed hereinabove, the stage of challenging the validity of registration by the defendant arises only when the written statement is filed, because it is only in the written statement that the plea of the registration being invalid would be taken up in furtherance of the expression "if valid" as found in Section 28 and also similar language as found in Section 124(1) (a). This also flows from the fact that under Section 31(1) registration is only a prima facie evidence of validity and not conclusive evidence. Registration would only be a conclusive evidence of validity if the rectification/cancellation proceedings filed for cancellation of the registered trademark do not finally succeed. We are, therefore of the view that in the facts of the present case since the issue of invalidity of registration is to be taken up only in a written statement for an issue to be framed with respect thereto in terms of Section 124 (1) (a) (ii) and

the written statement was yet to be filed when the impugned order was passed, where such an issue would/could be raised, the learned Single Judge was justified in looking into the aspect of prima facie validity of the registration of the trademark and it cannot be the stand of the appellant that the plea of invalidity of registration cannot be looked into because there is no such plea in the written statement inasmuch as the written statement was yet to be filed in the suit.

The learned Single Judge was fully entitled to look into the aspect of validity of registration in the facts of the present case by reference to the expression “if valid” as occurring in Section 28 and the related provisions of Section 31 and the different sub-sections of Section 124. The learned Single Judge applied his mind and considered this issue of prima facie validity of registration of trademark for deciding the interlocutory application and which is very much permissible and in fact so provided under Section 124(5).

15. Now let us examine the issue of prima facie validity of registrations of the appellant for deciding the aspect of grant of injunction in the facts of the present case. When we look at the facts in the present case, we find that when the application was filed for registration of the trademarks “LOSORB” and “LO-SORB”, the applications clearly stated “proposed to be used”. Quite clearly therefore on the date of registration there was no user at all of the trademark, much less such use of it so as to give the trademark a

distinctive character as a result of use made of it or the same being a well known trademark. Clearly therefore, the registration of the trademark “LOSORB” and “LO-SORB” were prima facie invalid because the said trademarks basically are a minor variation of a descriptive expression “LOW ABSORB” which is not an unusual juxtaposition of words in the English language and no evidence existed before the Registrar of distinctiveness because the marks were sought to be registered not on proof of actual user so as to make the same distinctive on the date of filing of the application for registration but only on ‘proposed to be used’ basis. The expression “LOW ABSORB” conveys the same meaning as “ABSORBS LOW”. Such descriptive word marks are clearly such for which there is an absolute ground for refusal of registration by virtue of Section 9(1) (b) of the Act because clearly the said word marks are in fact clear indications of designation of the kind, quality, intended purpose or other characteristics of the goods of which the trademark is applied. The registrations being prima facie invalid no action for infringement would thus lie. On the issue of acquiring distinctiveness subsequent to the making of the application for registration, we have already dilated at length in the earlier part of this judgment while dealing with the issue of passing off that it cannot be said that the mark “LOW ABSORB” has acquired a secondary meaning by user of a few years.

We will now examine the issue whether the expressions “LOSORB” or “LO-SORB” have achieved a secondary meaning even if

“LOW-ABSORB” may not have. On this aspect one immediately feels that it is an aspect of concern with respect to the claim of the plaintiff that if partly tweaked descriptive words and expressions of English language are claimed to be coined words, the same would result in a grave and absurd situation because a non-tweaked word being a completely descriptive word will in fact be deceptively similar to the tweaked descriptive English language word or expression of which registration is obtained. Meaning thereby that because of success in getting registered a minor modification of a descriptive word or expression of the English language, a person who gets registration can prevent a purely descriptive use of a normal word or expression as found in English language dictionary on the ground that it would be identical with or deceptively similar to a registered trademark- a position which is found in the present case. Such a position, in our opinion, cannot at all be countenanced and must be struck down with a heavy hand.

When we see the facts and circumstances of the present case, we find that both the parties claim to have an ingredient in their product namely edible oil an anti foaming agent which results in lower oil being consumed while frying the food. In such a case scenario, it cannot be claimed at this interim stage that there is a secondary significance by user up to registration to such coined words “LOSORB” and “LO-SORB” keeping in view the fact that such coined words have a clear reference to an indicative of the kind, quality, intended purpose,

characteristic etc. of the goods and are not ordinarily entitled to registration. We have, while on the issue of passing off, already adverted to the aspect of whether the sales are related to the trade marks “LOSORB/LO-SORB” or to “Sweakar/Saffola”, being a moot point.

Having expounded on the law as above, we may again add that in a particular case, it is possible that a descriptive word mark on account of its such extensive user over a great length of time, when no other person has been shown to use the same, the same may in fact become a well known trademark or a trademark which has achieved such distinction by user that it can be registered. Where the combination of words forming a trade mark is an unusual juxtaposition of words or part words the distinction may be achieved more easily than where the user of words put jointly is not an unusual syntax and also especially when the adaption is arbitrary with respect to the goods/trade. There can be a case where a coined word would be entitled to trademark protection where the coined word is the result of joining of one or two or few normal non descriptive English words of the dictionary or one word out of the two or more words forming a coined word is an arbitrary adaption. As already stated, therefore, in trademarks matters, every case necessarily turns upon and is decided on its own facts including but not limited to the trade mark, goods in question, customers, use and all other factors and their intense co-relation in each case.

16. Thus, looking at the issue of entitlement of the learned Single Judge to question the validity of the registration of the trademark for the purpose of deciding the interlocutory application, we find that the same was also justified because firstly no evidence was filed of distinctiveness of the trademarks at the time of registration since the same did not exist because admittedly the applications were filed for registration of the trademarks on a “proposed to be used basis” and secondly so far as the evidence of user we have already held that the user in the facts of the present case is not such as to confer distinctiveness amounting to a secondary meaning for the word marks which are in fact just a tweaked form of ordinary descriptive words in not an unusual syntax.

17. One final issue remains to be examined, while deciding the issue of infringement. The issue is whether the evidence of distinctiveness though was not filed at the time of registration, yet evidence of distinctiveness by use post registration can be looked into to justify the validity of registration of the trademark. This issue arises in the context of the language of Section 31(2) and Section 32 of the Act and which language appears to be contrary to language of the proviso to Section 9(1) of the Act. Apparently, two converse situations are that whereas evidence of use is necessary to show distinctiveness before a mark can be registered under the proviso to Section 9(1) of the Act, the language of Sections 31(2) and 32 seem to suggest that even if evidence is not filed of distinctiveness on account of use at the time of

registration, evidence can still be looked into and filed in legal proceedings pertaining to infringement of a trademark. The issue is that whether there is conflict between the similar language employed in the proviso to Section 9(1) of the Act on the one hand and the language employed in Section 31(2) and Section 32 of the Act on the other hand. In order to appreciate the issue, it is necessary to refer to the relevant portions of the three sections together and the same read as under:-

“Section 9. Absolute grounds for refusal of registration.—(1) The trademarks—

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:

Provided that a trademark shall not be refused registration if before the ***date of application for registration*** it has acquired a distinctive character as a result of the use made of it or is a well-known trademark.”

“Section 31. Registration to be prima facie evidence of validity. --- (1) xxxxxxxx

(2) In all legal proceedings as aforesaid a registered trade mark shall not be held to be invalid on the ground that it was not a registrable trade mark under section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the

Registrar before registration, if it is proved that the trade mark had been so used by the registered proprietor or his predecessor in title as to have become distinctive **at the date of registration.**”

“ Section 32. Protection of registration on ground of distinctiveness in certain cases.- Where a trade mark is registered in breach of sub-section (1) of section 9, it shall not be **declared invalid** if, in consequence of the use which has been made of it, it has after registration and before commencement of any legal proceedings **challenging the validity of such registration**, acquired a distinctive character in relation to the goods or services for which it is registered.”

The aforesaid emphasized portions of the three sections clearly bring out the different situations which are envisaged in the three different provisions and obviously there is no conflict between any of the three provisions. As per the proviso to Section 9(1) of the Act, ordinarily, evidence to make the trademark distinctive by use has to be on the date of the application. The provision of Section 31(2) provides for an additional/bonus period so to say, to entitle the registration of the mark, and this bonus period is from the date of the application to the actual date of registration. Meaning thereby, ordinarily, the evidence of the distinctiveness by use has to be on the date of the application, but Section 31(2) allows evidence of distinctiveness post the making of the application up to the date of registration. There is a hiatus between the date of the application and the date of registration because after an application is made for registration of a trademark, a detailed procedure has to be followed including of publication inviting objections and deciding the said

objections before grant of registration. During this intervening period, from the date of the application to the actual date of registration, ordinarily evidence would not have been looked at for registration of the mark because the proviso to Section 9(1) requires evidence only of distinctiveness by use as on the date of making of the application, however, Section 31(2) relaxes the rigour of the proviso to Section 9(1) in that evidence of distinctiveness by use can be looked into of the period up to the actual date of registration. Therefore, there is no conflict between the proviso to Section 9(1) and Section 31(2). There is also no conflict between the proviso to Section 9(1) of the Act and the provision of Section 32. On the first blush there may appear to be conflict because Section 32 seems to apply to all legal proceedings, and which would include infringement proceedings. However, the doubt is removed /cleared by the expressions “declared invalid” and “challenging the validity of such registration” as appearing in Section 32 of the Act. A declaration as to invalidity of the registration of the mark can only be given by the Registrar/Appellate Board and not by the civil court. The declaration of invalidity of registration is on an application for cancellation of the registered trademark which is filed under Section 57 of the Act. Therefore, the evidence with regard to the distinctiveness to justify registration, in terms of Section 32 can only be in the proceedings before the Registrar/Appellate Board in cancellation proceedings and not in the proceedings in the civil court where an infringement action is filed.

Thus, a conjoint reading of the three provisions being the proviso to Section 9(1), Section 31(2) and Section 32 brings forth the position that ordinarily evidence of distinctiveness by use ought to be as available on the date of the filing of the application for registration, however, there is a relaxation by extending this period which ordinarily is only up to the date of the application to the actual date of registration by virtue of Section 31(2). The evidence to show distinctiveness of the trademark even post registration is available only in proceedings where the trademark is sought to be declared invalid i.e., in the cancellation proceedings under Section 57 of the Act. Therefore, it is not possible to argue and contend that even though no evidence was filed of distinctiveness by use of the trademark up to the date of registration, yet evidence can be looked into on distinctiveness by use post the date of registration of the trademark up to the date a suit is filed for infringement proceedings. The evidence in the period post registration of the trademark can only be looked into in proceedings to declare the trademark invalid under Section 57 of the Act and not in a civil suit in a civil court where infringement action of a registered trademark is filed.

In the facts of the present case to justify the validity of the registration of the trademark at best evidence of distinctiveness could be looked into from the year 2001 when the application for registration was filed upto the year 2005 when the mark was registered, i.e., evidence of distinctiveness by use cannot be looked into from the year

2005 till the year 2009 when the suit was filed. We have already held above that in fact even if there is user up to 2009, yet, descriptive trademarks have not become prima facie distinctive at the stage of interim injunction. We have also adverted to the aspect of discouraging the entitlement of grant of distinctiveness to purely descriptive word marks. Therefore, the infringement action in this court cannot be supported on the basis of evidence showing distinctiveness by user from 2005 to 2009 and that would be clearly be violative of the intendment of the provisions of Section 31(2) and Section 32 read with the proviso to Section 9(1) of the Act. We, therefore, decline to look into the evidence of distinctiveness by user of 2005 to 2009 and therefore thereafter till date to justify the validity of registration and therefore the claim of grant of injunction on the basis of distinctiveness by user on account of use of the registered trademarks from the year 2005 to 2009 when the suit was filed.

### **STATUTORY DEFENCES TO INFRINGEMENT ACTION**

18. Let us for the sake of argument now assume the registration to be valid, can it then be said that the appellant is entitled to grant of injunction for preventing the defendant from using the expression "LOW ABSORB TECHNOLOGY" in its packing under which the edible oil is sold and whether such use amounts to infringement of the registered trademarks of the appellant.

We note the fact that the respondent was obviously not justified in using the expression "TM" after the expression "LOW

ABSORB TECHNOLOGY” and the respondent has now rightly removed the expression “TM” after the expression “LOW ABSORB TECHNOLOGY”. An argument was however raised that the respondent had in fact used the expression “TM” after the expression “LOW ABSORB TECHNOLOGY” at one point of time and that such mala fides entitles the appellant to an injunction in the facts and circumstances of the present case, although, the plaintiff’s registration itself may not be valid and the defendant may have valid defences in terms of Section 30(2)(a) and Section 35 of the Act. This aspect is also considered by us hereinafter.

It has been contended on behalf of the respondent that respondent is selling its edible oil in a package which clearly shows its trademark as “Sundrop”. The respondent states that it is not using the expression “LOW ABSORB TECHNOLOGY” as a trademark and the same is only being used as a descriptive expression, and as a part of a sentence, with respect to the product in question, namely, edible oil. The appellant, however, counters to say that the expression “LOW ABSORB TECHNOLOGY” is being used as a trademark. We have already referred to the fact that the trademark “Sundrop” is used by the respondent in a very prominent manner in its packaging by the respondent and that undoubtedly is the trademark of the respondent. The defendant is using the expression “LOW ABSORB” not independently but only as a part of a sentence which reads on the packaging as “WITH LOW ABSORB TECHNOLOGY”.

19. Our conclusion is that we have in fact totally failed to appreciate the argument as raised on behalf of the appellant. Surely, when rights are claimed over a word mark as a trademark and which word mark is in fact a mere tweak of a descriptive word indicative of the kind, quality, intended purpose or other characteristics of the goods, it is not open to urge that although the respondent is using the descriptive word mark in fact only as a part of sentence as a description (and even assuming for the sake of argument only the descriptive word mark in itself) alongwith another independent trademark, yet the use of descriptive words are to be injuncted against. How can it at all be argued that though the respondent is in fact shown to be using the disputed word(s) only with a descriptive intendment, yet, such use should be taken not in a descriptive manner but as a trademark. If we permit such an argument to prevail then what will happen is that what cannot be directly done will be indirectly done i.e., whereas the appellant is not entitled to succeed in the infringement action because the use by the respondent is in furtherance of its statutory rights of the user of the words which are descriptive of the kind, quality, intended purpose or characteristic of the goods, yet, merely because the appellant states that the respondent is using the same as a trademark, the same should be taken as infringement of the trademark of the appellant. Not only the plaintiff has no exclusive rights whatsoever to the trademarks because they are such which fall within the mischief of Section 30(2)(a), the respondent/defendant is always fully justified and

entitled to use the descriptive words in any and every manner that it so chooses and pleases to do. If there are no rights of the plaintiff to exclusive user of the trademark then where does arise the question of disentitlement of a defendant to use the trademark of the appellant inasmuch as any person who adopts a descriptive word mark does so at its own peril in that any other person will also be fully entitled to use the same in view of a specific statutory rights thereto, and there are various other statutory rights including that under Section 30(2) (a), and which is what is being done by the respondent in the facts of the present case and its rights being further stronger because of the use alongwith the simultaneous use of its trademark "Sundrop".

In the facts and circumstances of the present case, Section 30(2)(a) clearly applies in entitling the respondent to use the expression "WITH LOW ABSORB TECHNOLOGY" because that is only a descriptive use by normal English words in the English language indicative of the kind, quality, intended purpose of characteristic of the goods. There is no use of the expression "bonafide" in Section 30(2)(a) as is found in Section 35, and we do not propose to import in Section 30(2)(a) the expression "bonafide" because the subject matters of the two Sections i.e. Section 32(a) and Section 35 are though common on certain limited aspects, however the two sections do in fact operate in separate fields. Also looking at the issue in another way, "bonafide" aspect can in a way be said to be very much included in Section 30(2)(a) because the use of words which indicate their relation to the

goods for the kind, quality, intended purpose or other characteristics etc. of the goods, is clearly only a bonafide user of the same and which “bonafideness” does not have to be additionally proved. In fact, there is ordinarily not only no lack of bonafides in using the normal descriptive word, and on the contrary there is in fact malafides of a plaintiff in adopting otherwise a descriptive word mark and for which adaption there is ordinarily an absolute ground for refusal of registration of the trademark. There is no malafides of the respondent as alleged by the appellant because the respondent is using the expression “LOW ABSORB” as part of a sentence in a descriptive manner and the respondent is also prominently using its own trademark “Sundrop”, an aspect we have repeatedly referred to otherwise in this judgment. Merely because the respondent used “TM” earlier after the expression “LOW ABSORB TECHNOLOGY” is not such as to wipe out statutory rights/defences of the respondent.

We are also of the opinion that once the person, against whom a suit is filed on the ground of infringement of a trademark which is in fact a descriptive word, then, if a defendant is using his own word mark as a trademark prominently in addition to the descriptive word mark which the plaintiff claims to be his trademark, nothing further is required to show the bonafides of the defendant against whom infringement of a registered trademark is alleged. In the facts of the present case, we have already adverted to in detail the prominent use by the respondent of its independent trademark “Sundrop”, and,

the fact that the expression “LOW ABSORB” is being used only as part of the sentence which reads “WITH LOW ABSORB TECHNOLOGY”.

20. We may however note that when two identical trademarks are used by two parties in the market, or that a use of a descriptive word by a defendant can be confused with the trademark of a plaintiff, then a Court is always entitled to ensure that such distinction is brought or conditions are imposed qua the two identical or deceptively similar trademarks by imposing such conditions of use on both or either of the parties so that a third vital/important stakeholder in these Intellectual Property Rights (IPR) disputes viz. the public, is not in any manner deceived/confused and whose rights are not prejudicially affected. This has been held by us in a recent judgment in ***Cadila Healthcare Ltd. Vs. Diat Foods (India)*** decided on 29.9.2010, in which this Court (speaking through Sanjay Kishan Kaul, J) has relied upon another Division Bench judgment of this Court in the case of ***Goenka Institute of Education and Research Vs. Anjani Kumar Goenka & Anr. AIR 2009 (Delhi) 139: 2009 (160) DLT 417*** as also Section 12 of the Act and held the entitlement of a Court to issue directions to ensure that there is no confusion in the public with respect to two separate products which are sold under identical or deceptively similar trademarks. Of course, in this case of ***Cadila Healthcare Ltd.*** use by the respondent/defendant was not as a trademark but only in the descriptive sense, and yet, to avoid confusion to the public, directions were issued. Similar would be the entitlement of a Court afortiori

when two parties use same or deceptively similar descriptive word marks as trademarks.

## **CONCLUSIONS**

21. The following conclusions thus emerge:-

(i) A mark which is sought to be used as a trade mark, if, is one falling under Section 9(1)(a) to (c), then the same ordinarily ought not to be afforded protection as a trade mark.

(ii) Before the marks which fall under Section 9(1) (a) to (c) are given protection as a trade mark, the distinctiveness must of an undisturbed user of a very large/considerable number of years, with the emphasis being on discouragement on appropriation of such marks which fall under Section 9(1) (a) to (c).

(iii) A civil court in a suit filed for infringement of a registered trade mark is entitled (if there is no earlier judgment which has achieved finality in cancellation proceedings) to consider the validity of registration for the purpose of passing an interlocutory order including of grant or refusal of an interim injunction- once the objection as to invalidity of registration is taken up in the pleading/written statement.

(iv) A trademark which falls under Section 9(1) (a) to (c) cannot be registered on proposed to be used basis. Evidence on distinctiveness with respect to trade marks falling under Section 9(1) (a) to (c) should be the evidence of user evidencing distinctiveness as

on the date of application for registration or at the best of evidence up to the date of registration.

(v) In infringement actions the court is entitled to consider the evidence of distinctiveness up to the date of registration for the purpose of passing any interlocutory order and not evidence showing distinctiveness post registration. However, in cancellation proceedings evidence of distinctiveness post registration of the trade mark can also be considered.

(vi) Even if there is finality to registration of a trade mark, yet the defendant in infringement action can take statutory defences under Sections 30 to 35 to defeat the infringement action.

22. In view of the above, we find that the appeal is not liable to succeed. The appellant does not have a prima facie case in its favour in view of the above discussion. The balance of convenience is in favour of the respondent who will be caused grave and irreparable injury if the injunction as prayed for is granted. The law is that as an appellate Court we should not interfere with the well reasoned judgment of learned Single Judge in terms of ***Skyline Education Institute (India) Private Limited Vs. S.L. Vaswani and Another (2010) 2 SCC 142.*** The appeal is therefore dismissed. We may state that ordinarily being a commercial matter where giant companies can afford to pay costs we would have imposed actual costs on the appellant, however, we desist from doing so because there is no

authoritative pronouncement of a Division Bench of this Court on certain aspects we have dealt with in this judgment including with respect to an entitlement of a plaintiff to an infringement action with respect to a descriptive word trademark and related word marks which are otherwise such for which there is an absolute ground for refusal of registration.

23. The appeal is therefore dismissed, leaving the parties to bear their own costs. Nothing contained herein will amount to any expression on the final merits and the factual aspects affecting the final judgment in the case.

**VALMIKI J. MEHTA, J.**

NOVEMBER 01, 2010  
ib/Ne

**SANJAY KISHAN KAUL, J.**