

Bombay High Court Aktiebolaget Volvo Of Sweden vs Volvo Steels Ltd. Of Gujarat ... on 16 October, 1997 Author: Tipnis Bench: R Desai, V Tipnis JUDGMENT Tipnis, J. 1. This appeal challenges the correctness of order dated 28th April 1995 passed by the Learned Single Judge in Notice of Motion No. 950 of 1995 in suit No. 1055 of 1995 whereby the Learned Judge was pleased to dismiss the notice of motion with costs. 2. The plaintiffs “Aktiebolaget Volvo” filed a suit for a passing off action against the defendants and sought an order to restrain the defendants from using the word ‘Volvo’ or any other deceptively similar word as part of corporate name and/or trading style of the defendants so as to pass off the defendants goods and/or business as that of the plaintiffs. 3. The plaintiffs took out a notice of motion for interim reliefs of similar nature during the pendency of the said suit. 4. The case of the plaintiffs is that the plaintiffs are a public company incorporated under the laws of Sweden and are known as AB Volvo. The plaintiffs were incorporated on 5th May 1915 and commenced business of assembling cars in 1926 and trucks in 1928. Several subsidiaries of the plaintiffs have been incorporated in various countries of the world. However, at the time of disposal of the notice of motion no subsidiary company of the plaintiffs had been incorporated in India. 5. The plaintiff’s own controlling shares in various corporations and companies which are called Volvo group of companies and the goods manufactured by Volvo group of companies are sold throughout the world and the plaintiff’s largest operating sectors are cars, trucks, The plaintiffs are registered with the Securities and Exchange Commission, Washington, D.C., U.S.A. Besides manufacturing cars, trucks, and buses, the plaintiffs also carry on business of manufacturing marine engines, aircraft engines, construction industry equipments, etc., and the plaintiffs products are widely advertised. The value of the turnover of the plaintiffs for the year 1991 was at 77,223 million Swedish Kroner, which increased to 83,002 million Swedish Kroner in the year 1992. In the year 1993, it was 1,11,153 million Swedish Kroner. The products of the plaintiffs are known all over the world and various travellers from India who visit abroad have been seeing the plaintiffs cars, trucks and buses in the countries of Europe, US, Japan, Singapore, UAE and elsewhere. The plaintiffs sponsor various sports events which give exposure to Volvo in electronic and other media. 6. On 10th September, 1979, the plaintiffs applied for and obtained registration of the trade mark ‘Volvo’ under no. 308314 in respect of the marine engines, aircraft engines, engines for industrial, agriculture and forestry machines and other goods falling in Class VII of the Schedule of the Trade Marks Rules. On 19th May, 1980, the plaintiffs also applied for and obtained registration of trade mark ‘Volvo’ under No. 3618866 in respect of land vehicles and parts thereof included in class XII of a schedule to the Trade Mark Rules. According to the plaintiffs the word ‘Volvo’ is an invented word and is distinctive of the plaintiffs and the plaintiffs’ “Volvo group of companies” and considering the distinctive character of the plaintiffs mark ‘Volvo’ and the business activities of the plaintiffs, the word ‘Volvo’ has acquired distinctiveness and is exclusively associated with the plaintiffs and the Volvo group of companies. 7. The plaintiffs alleged that sometime in the month of December 1994 the Volvo Group of Companies took a decision to set up di-

rect business activities in India either by exporting the goods to India or by setting up a collaboration in India and for that purpose the marketing director of one Volvo Truck Corporation had a meeting with the head of the Corporate Advertiser Services Group of ANZ Grindlays Bank in India for considering the entry into India market. The said Volvo Truck Corporation received a letter dated 7-3-95 from the said Corporate Advertiser Service Group of ANZ Grindlays Bank in India stating that the defendants were planning to go for public issue. A prospectus issued by the defendants was forwarded along with the said letter. After receipt of the said letter the plaintiffs made enquiries and learnt that the defendants had offered shares to the members of the public by issuing a prospectus. The plaintiffs also came an advertisement issued by the defendants describing them as part of Volvo Group. According to the plaintiffs, the claim made by the defendants that the defendants are part of the Volvo Group is totally false and incorrect and that the whole intention of the defendants by adopting the word 'Volvo' as part of their corporate name and trading style was to trade on the reputation of the plaintiffs and Volvo Group of Companies since the plaintiffs have acquired tremendous reputation all over the world including India. It was further alleged that by describing themselves as part of Volvo Group the defendants are deliberately misleading the traders and members of the public in India and since there is a likelihood of deception and confusion being caused by adoption of the word 'Volvo' as part of the corporate name of the defendants, the plaintiffs seek the reliefs prayed for in the plaint. 8. The defendants resisted grant of any interim reliefs. According to the defendants there is no merit in the contention of the plaintiffs. The defendants were incorporated on 19th December 1990 and started their manufacturing activities some-time in the year 1991. It was contended that there is gross delay on the part of the plaintiffs in approaching the court for grant of equitable reliefs. It was also contended that the plaintiffs had the knowledge about the word 'Volvo' being part of corporate name and/or trading style of the defendants but acquiesced in the defendants' adopting word 'Volvo' as part of their corporate name and/or trading style and as such, cannot now object to the same being part of corporate name of the defendants. The plaintiffs were aware that the company by name Volvo Terry industries Ltd. had come out with a public issue of 40 lacs equity shares of Rs. 10/- each in the year 1992 which public issue was duly advertised. The shares of the said company are duly listed on the Bombay Stock Exchange and are quoted regularly in news papers including Economic Times. No action was taken by the plaintiffs against the said Volvo Terry Industries Ltd. As such the plaintiffs had acquiesced in defendants' adopting the word 'Volvo' as part of their corporate name. It was further contended that the plaintiffs do not enjoy any reputation in the Indian market and the sales of plaintiffs' product in India are absolutely insignificant. The defendants then contended that the activities and products of the plaintiffs and defendants being different and distinct there is no question of the defendants passing off their products as the products of the plaintiffs and there is no likelihood of any deception or confusion amongst the traders and/or customers as alleged by the plaintiffs or otherwise. The largest operating sectors of the plaintiffs are cars and trucks and also have operations

in similar other sectors like transport equipment industry such as buses, marine and industrial engines and aircraft and space engines. The defendants on the other hand are involved in the manufacture of mild steel ingots which is an intermediary product and used production to torsteel which is used for construction purpose. The products of the defendants are, therefore, clearly different and distinct from those of the plaintiffs. The class of purchasers of the plaintiffs' products and those of the defendants are different and even the end use of the respective of the plaintiffs and the defendants being different, the question of the defendants passing their product as those of the plaintiffs does not arise. It was further contended that the word 'Volvo' is not an invented word of the plaintiffs and it being a Latin word meaning thereby, 're-rolling', 'to roll up', 'to roll together' and 'form by rolling' and since defendants' products were ultimately to be used for rolling the word 'Volvo' was selected by the defendants as part of their corporate name which was approved by the Registrar of Companies, Gujarat. The defendants denied that the word 'Volvo' has been adopted as part of their corporate name to mislead the customers of the plaintiffs or trade on alleged reputation of the plaintiffs. The actual purchasers of the defendants products are knowledgeable persons and/or experts in their respective fields and not laymen. It was contended that the defendants were earlier incorporated as a private limited company and as the business prospered, it was converted into a public limited company on 2nd October 1993. In the year 1994 a decision was taken by the Board of the Directors of the defendants to have a public issue inter alia to finance its expansion projects, the total cost whereof was estimated at Rs. 31 crores and accordingly the defendants came out with a public issue of Rs. 10.43 crores which opened on 7-3-1995 and was closed on 10-3-1995. The said public issue was over-subscribed by more than 5 times and members of public have reposed confidence in the defendants. The shares are required to be allotted in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI). The action of the plaintiffs in filing the present suit at this belated stage is by way of blackmail action after closure of the said public issue and before allotment of the shares to the public. The defendants contended that in the advertisement issued by the defendants no reference has been made as to the alleged association of the defendants with the plaintiffs and no reference has also been made as to the activity of the plaintiffs in automotive industry. However, since the promoters of the defendants consist of members of families of Chhatriya,, Makwana, Kalaniya, all Gujarat based and since each of the said families is engaged in several industries, they have been referred in the advertisement as Volvo group. Lastly it was contended that the balance of convenience is in favour of the defendants and plaintiffs should not be granted any interim reliefs. 9. Before the learned Single Judge, the learned counsel for the plaintiffs contended that existence of common field of activity is not a condition precedent for grant of relief in a passing off action. Originally it was product to product. It has under-gone a change. The focus has now shifted from the external objective test of making a comparison between of parties to state of mind of the public in deciding whether there is probability of confusion or deception. It was submitted that some connection is required to be established

in the product of the defendants with those of the plaintiffs. It was submitted that the probability of confusion depends upon (i) the nature of mark or name of the plaintiffs; (ii) the extent of reputation in that mark or name acquired by the plaintiffs; and (iii) closeness of the defendants' mark or name with that of the plaintiffs. It was contended that if the mark or name is a fancy or invented word, even the small reputation will suffice. However, if the mark or name has a descriptive flavour, large reputation is needed by the plaintiffs. In the facts and circumstances of the case, the counsel for the plaintiffs submitted that the plaintiffs' mark 'volvo' is an invented one and has acquired distinctiveness of being associated with the plaintiffs and plaintiffs' Volvo Group of Companies and the defendants by adopting the word 'volvo' as part of their corporate name are deliberately misleading the traders and members of the public by causing deception and confusion and passing off their product as those of the plaintiffs. It was submitted that the plaintiffs have acquired reputation in India and by adopting the word 'volvo' as part of their corporate name the defendants are trading on 'plaintiffs' reputation to pass off their goods as those of the plaintiffs. It was submitted that the plaintiffs have acquired reputation in India; that the transborder reputation has been recognised by the court in India and there is no delay in approaching the court nor the plaintiffs have acquiesced in the action of the defendants and the balance of convenience is also in favour of the plaintiffs.

10. The learned counsel for the defendants submitted that the goodwill depends on reputation and relate to particular type of good or business. The existence of common field of activity still continues to be a primary requirement. It was submitted that there cannot be any monopoly in the use of a trade mark. The vital element in each case is the probability of deception which may depend on a number of matters as well as the question of similarity of the marks of the get up. It was submitted that the nature of goods products respectively by the plaintiffs and the defendants or the respective business carried on by them being different there is no likelihood of any deception or confusion being caused amongst the trader or customers of the plaintiffs by reason of the defendants adopting the word 'Volvo' as part of their corporate name. The learned counsel emphatically submitted that in the facts and circumstances of the case the suit field is in the nature of blackmail action. No actionable loss or damage to the alleged reputation of the plaintiffs is shown or established to have been even the balance of convenience is favour of the defendants.

11. The learned Single Judge has observed that at the interlocutory stage, the main question which arises for determination is whether prima facie the defendants are guilty of passing off their product as that of the plaintiffs so as to entitle the plaintiffs to grant of interim relief as prayed for. It was made clear by the learned counsel for the plaintiffs that the grievance in the suit relates only to action in passing off.

12. The learned Judge held that since on merits; prima facie it appears that the defendants are not guilty of passing off their products as those of the plaintiffs, the questions pertaining to gross delay on the part of the plaintiffs in approaching the court for grant of interim reliefs of injunction and acquiescence on the part of the plaintiffs in allowing the defendants to use the word 'volvo' as part of their corporate name need not be consid-

ered at that stage. After discussing the vital contentions and the material on records the Judge held that it is not possible to conclude at this prima facie stage that the plaintiffs enjoy trans-border reputation. The learned Judge held that even if it is assumed that the plaintiffs enjoy transborder reputation, it is required to be considered as to whether by reason of the word 'volvo' being part of the corporate name of the defendants the plaintiffs have suffered or are really likely to suffer substantial damage to their property in goodwill though the products of the defendants are different, dissimilar and distinct from the products of the plaintiffs so as to grant the relief to the plaintiffs in the present application. Then the learned Judge observed that the defendants' present line of manufacture is of intermediate products like M.S. Ingots which are raw materials used by rerolling mills for production of torsteel and is confined to only the manufacture of angles, channel and torsteel bars. These items are used in the construction industry. The defendants proposed items of manufacture are stainless steel ingots which are also raw materials for stainless steel products whereas the plaintiffs' activities and/or products are in the transport vehicle field which comprise of cars, trucks, buses, marine and industrial engines, and aircraft engines. The learned Judge felt that the plaintiffs have reserved the name "Volvo" only for their automotive products and for no other products. The plaintiffs and the defendants are engaged in totally different and dissimilar fields of activity and lines of business. The learned Judge felt that the word 'volvo' particularly in India is not associated with the plaintiffs in their alleged operations in any other sector of the transport or equipment industry such as buses, marine and industry engines, or aircraft or space engines. The Judge held that no common field of activity exists between the plaintiffs and the defendants so as to pass off the defendants' products as that of plaintiffs. 13. The learned Judge thereafter considered several authorities cited before him. The Learned Judge reproduced the five factors stated by Lord Justice Diplock case popularly known as 'Advocate' case. Then the Learned Judge referred to 'Lego's' case. The learned Judge held that the goodwill as the subject of particularly right 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 in several countries a separate goodwill attaches to it in each. In the present case on the basis of the facts prima facie the learned Judge was not prepared to say the plaintiffs have been even an arguable case on goodwill. The Learned Judge held that prima facie it has not been proved that the acts of the defendants amount to a misrepresentation so as to give cause to the plaintiffs to institute passing off action against the defendants. It has not been established by the plaintiffs as required to be established, that there is a real risk that a substantial number of persons among the relevant section of the public will in fact believe that there is a business connection between the plaintiffs and the defendants. The Learned Judge then referred to the decision of this court and other several decisions of different courts. The Learned Judge held that neither the mark 'volvo' is a fancy name nor can it be said that it is associated with the defendants' name without any object, the object being to denote the nature of activities of the defendants. The explanation given by

the defendants for adopting the word ‘volvo’ as part of their corporate name is plausible. The Learned Judge held that in his view since the products of the plaintiffs are different and absolutely dissimilar to the products of the defendants and the class of customers for both these products are also different, merely by use of the word ‘Volvo’ as part of the corporate name of the defendants there is no possibility of any deception and/or confusion being caused amongst the customers and/or traders. The Learned Judge held that not a single instance of confusion or deception has been pointed out or established by the plaintiffs. The plaintiffs failed to establish even prima facie that the adoption of the word ‘volvo’ in the corporate name of the defendants is calculated to deceive or confuse the trade or public into believing that of the plaintiffs. The Learned Judge held that even if it assumed that the plaintiffs have acquired goodwill in India in respect of the products of the plaintiffs, the goodwill acquired is not wide enough to extend to the goods such as intermediary products manufactured by the defendants. Referring to the sequence of events and the interim orders, the learned Judge felt it reflects badly on the conduct and the motive of the plaintiffs in instituting the present suit. The Learned Judge felt that the totality of circumstances show the balance of convenience is in favour of the defendants. The aforesaid order of the Learned Judge is impugned in this appeal. 14. Shri Tulzapurkar, the learned counsel for the appellants reiterated all the submission made on behalf of the plaintiffs before the trial court. He contended that it is significant that the defendants have not claimed ‘Volvo’ as trade mark or applied for registration till date. Shri Tulzapurkar further contended that word ‘Volvo’ is in the nature of fancy word and has assumed distinctiveness. Latin is a dead and obscure language and hardly any one in India knows Latin : ‘Volvo’ has no meaning to the general public in India. Volvo has acquired a secondary meaning qua the Volvo Group. It signifies the connection with the international Volvo Group. Shri Tulzapurkar contended that the defendants have advertised and represented themselves as belonging to “Volvo Group” and building on the strength of the “Volvo Group”. Shri Tulzapurkar pointed out that all other concerns of the promoters of the defendants company are either surname-based or of Indian name-based or location-based and these companies have now where been referred to as Volvo Group. There is no basis why Chhatriya, Makwana and Kalaniya families should be known as a Volvo Group. Shri Tulzapurkar further contended that looking to several products of the plaintiffs and the Group of companies and looking to the main object as represented in the prospectus for the issue of the defendants, it is clear that there is some overlapping of common field of activity. Shri Tulzapurkar, with reference to the material on record, contended that in view of the information explosion and otherwise also the plaintiffs enjoy presence and goodwill and reputation in India in relation to their mark ‘Volvo’ Referring to the additional evidence by way of affidavits filed in appeal Shri Tulzapurkar pointed out that the plaintiffs have now established about six 100% subsidiaries in India to manufacturing business in India. Foreign Investment Promotion Board of India has granted the required permission in February 1996. Volvo India Pvt. Ltd. has signed the Memorandum of Understanding with the State of Karnataka for the manufacture of heavy duty state of the art

trucks in India. They have also entered into an agreement on 22-1-1997 with the Karnataka Industrial Area Development Board for acquiring a plot of land admeasuring 125 acres for construction of their factory near Bangalore. The Volvo India Pvt. Ltd. proposes to make a total investment of approximately US dollars 300 millions in India i.e. Rs. 1072.75 crores, with an initial investment upto US Dollars 60 million (approximately Rs. 214.5 crores) in the first phase of its manufacturing facility. Several news items have appeared in several Indian newspapers regarding the activities of the Volvo Group of Companies in India. Shri Tulzapurkar submitted that the defendants are comers and will suffer no worthwhile prejudice if they were to substitute 'Volvo' by any other world in their corporate name which is not deceptively similar to that of word famous mark 'Volvo'. 15. Shri Tulzapurkar has challenged several finding of the Learned Judge to which findings we have made specific reference in the earlier part of our judgment. In short, Shri Tulzapurkar submitted that the word 'Volvo' is distinct and a fancy word, the plaintiffs have worldwide reputation and goodwill; that the plaintiffs have prima facie proved that they enjoy reputation and goodwill and the word 'Volvo' is associated with the plaintiffs. Shri Tulzapurkar submitted that in the facts and circumstances of the case prima facie case has been made out by the plaintiffs of passing off action, in that there is misrepresentation by the defendants, that they are some way connected or associated with the plaintiffs which would amount to dilution or debasement of the reputation and goodwill of the word 'Volvo' which connects to the plaintiffs as the manufacturer or source of production. Shri Tulzapurkar further contended that the explanation given by the defendants for adoption of the word 'Volvo' is on the face of it absurd and if that be so, the false explanation itself will go a long way in accepting the case of the plaintiffs. Shri Tulzapurkar contended that there is absolutely no delay or acquiescence on the part of the plaintiffs. In support of his several contentions Shri Tulzapurkar cited several authorities to which we will have occasion to refer to hereinafter. 16. Shri Devetri, learned counsel for the respondent-defendants on the other hand reiterated all the submission made before the learned Single Judge. He submitted that all the finding recorded by the Learned Single Judge are absolutely correct and proper. Shri Devetri contended that this court should appreciate that is an appeal against an interlocutory and discretionary order and therefore, merely because the appeal court takes a different view the order should not be disturbed. Shri Devetri also stated that the order of the Learned Single Judge and the various findings are absolutely correct and justified on the basis of the records of the case. Shri Devetri emphasized that there cannot be monopoly in the use of trade mark and that common field of activity is still a very relevant consideration. Referring to the several documents on records Shri Devetri submitted that the plaintiffs are essentially involved in transport and manufacturing of cars, trucks and buses. About 87% of the business of the plaintiffs relate to cars and buses. The material on record shows that the main activity or principle field of activity of th plaintiffs is cars and at best transport whilst the product of the defendants is mild steel ingots. As such the products of the plaintiffs and the defendants are absolutely different, class of customers is different, and trade

channels through which the products are booked are also different. Shri Devetri, therefore, submitted that the material does not show any likelihood of confusion at all. Shri Devetri contended that the defendants were in the field of manufacturing since 1991 and hence it was possible if it was so, to adduce evidence of actual confusion. Shri Devetri also contended that even assuming that the plaintiffs have reputation and good-will in India it must be restricted to the field of automobiles and that too luxurious cars. No such instances have been proved. Even advertisements in the magazines are only in respect of cars. Shri Devetri stated that the material on record does not establish that 'Volvo' has become a household name or distinctive in India. Shri Devetri submitted that the relevant date for consideration in a passing off action would be a date on which the defendants commenced their activities which in his submission would be 1991. Shri Devetri submitted that 'Volvo' is not a fancy word, but is a Latin word having specific meaning. Shri Devetri contended that 7 years have passed since the use of the word 'Volvo' by the defendants and it is not shown that the plaintiffs have suffered any dilution in their reputation or goodwill qua their mark 'Volvo' Shri Devetri further contended that the defendants have started production since 1991, their turnover in 1993-94 was 19 crores and during 1994-95 it was 22 crores and if they are compelled to change their corporate name it would result in irreparable loss. He submitted that even the balance of conveniences is in favour of the defendants. Shri Devetri then contended that the defendants were incorporated in 1990, they commenced production in 1991, they became public limited company in 1993. On 7-3-1995 a public issue was released. On 10-3-1995 the issue was closed, which was oversubscribed by five times. The defendants under law, were obliged to issue shares on 10-5-1995. On 29-3-1995 the plaintiffs obtained ad-interim injunction restraining issuance of the shares. The ad interim order was extended to 10-4-1995 defendants made a statement that till the disposal of the motion shares will not be allotted and as such filing of the suit is clearly mala fide and with ulterior motive. 17. As stated earlier both the learned counsel have cited several authorities in supports of their respective contentions, several of them being common, i.e. cited by both sides. Both counsel have also referred to passages from the Law of Passing off by Christopher Wadlow, Kerly's Law of Trade Mark and Trade names. Twelfth edition, McCarthy on Trade Marks and Unfair Competition 1994 3rd edition Vol. I and K. S. Shavaksha on the Trade and Merchandise Marks Act, 1958 2nd edition of 1974. 18. In the matter Erven Warnink B. V. v. J. Townend & Sons (Hull) Ltd. (1980 RPC 31), which is known as Advocate's case, after referring to the development of law regarding unfair trade as actionable wrong and various English cases in that behalf, Lord Justice Diplock observed as under : "Spalding v. Gamage led the way to recognition by Judges of other species of the same genus, as where although the plaintiffs and the defendant were not competing traders in the same line of business, a false suggestion by the defendant that their business were connected with one another would damage the reputation and thus the goodwill of the plaintiff's business. There are several cases of this kind reported of which Harrods Ltd. v. Harrod Ltd. (1924 41 RPC 74), the money lender case may serve as an example: It was also observed as under :



“The market in which the action for passing off originated was no place for the mealy mouthed; advertisement are not on affidavit; exaggerated claims by a trader about the quality of his wares, assertions that they are better than those of his rivals even though he knows this to be untrue, have been permitted by the common law as venial”puffing" which give no cause of action to a competitor even though he can show that he has suffered actual damage in his business as a result“. In the very case Lord Justice Fraser quoted a passage from the speech of Lord Justice Diplock in the matter of *Star Industrial Co. Ltd. v. Yap Kwee Kor* ((1976) FSR 256), which is as under :”Whatever doubts there may have previously been as to the legal nature of the rights which were entitle to protection by ab action for passing off in courts of law or equity, these were laid to rest more than 60 years ago by the speech of Lord Parker of Waddington in *A. G. Spalding & Bros. v. A. W. Gamage Ltd.* with which the other members of the House of Lords agreed. A passing off action is a remedy for the invasion of a right of property not in the mark, name or get up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person’s goods as the goods of another. Goodwill as the subject of proprietary right 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." Therefore it was observed that it is essential for the plaintiffs in passing off action to show atleast five factors which are as under : 1) That his business consists of or includes, selling in England a class of good to which the particular trade name applies; 2) That the class of good is clearly defined, and that in minds of the public or a section of the public in England the trade name distinguishes that class from other similar goods; 3) That because of the reputation of the goods there is goodwill attached to the name; 4) That he the plaintiffs as a members of the class who sell the goods, is the owner of goodwill in England is of substantial value; 5) That he was suffered or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.’ ‘Provided these conditions are satisfies, as they are in the present case, I consider that the plaintiff is entitled to protect himself by a passing off action. The argument, relied on by the respondents was to the effect that unless there has been a passing off of the defendant’s good as the plaintiff’s goods there can be no direct injury to the plaintiff entitling him to raise an action for passing off. Any other form of unfair trading may, it was said render the trader liable to criminal or civil proceedings under Acts such as the Food and Drugs Act 1955 or the Trade Description Act, 1968 or to proceedings at common law by the Attorney General in the Public interest either for criminal penalties or for an injunction but does nor amount to a tort against the party whose goodwill is damaged by the unfair competition of goods which are falsely described. If that were the law it would, I think be unfortunate. Of course, any established

trade is liable to have goodwill damaged by fair competition, and it is not every falsehood told by a competitor that will give him a right of action. But where the falsehood is a misrepresentation that the competitor's goods are goods of a definite class with a valuable reputation and where the misrepresentation is likely to cause damage to established traders who own goodwill in relation to that class of goods, business morality seems to require that they should be entitled to protect their goodwill. The name of the tort committed by the party making the misrepresentation is not important but in my opinion the tort is the same in kind as that which has hitherto been known as passing off. 19. In the matter of *Parker Knoll Limited v. Knoll International Ltd.* (1962 RPC 265), Lord Morris stated a few propositions which are as under : 1) No one has any right to represent his goods as being the goods of someone else. 2) The court will restrain the making of any such representation even though it is not made fraudulently. If A represent his good as being the goods of B, then B is likely to suffer and is entitled to be protected whether A makes the representation innocently or fraudulently. If there is room for doubt as to whether A has represented his good as the goods of B then if there is evidence that A deliberately intended to and set out to make such a representation that evidence will in some cases assist to prove that there was in fact such a representation. 3) A name may be used as a mark under which a person's goods are sold so that the name comes to denote goods made by that person and not the goods made by anyone else or even made by any one else who was the same name. So also the mark under which a person's goods are sold may come to denote goods made by that person. The name or the mark will have acquired a secondary meaning. 4) It follows that someone may, even by using his own name and using it innocently, make a representation that is untrue, that is a representation that goods which in fact are his are the goods of someone else. 5) It is a question of fact, to be decided on the evidence, whether it is proved that a name or a mark has acquired a secondary meaning so that it denotes or has come to mean goods made by a particular person and not goods made by any other person even though such other person may have the same name. 6) If it is proved on behalf of a plaintiff that a name or a mark has acquired such a secondary meaning then it is a question for the court whether a defendant's whatever may be his intention is so describing his goods that there is a likelihood that a substantial section of the purchasing public will be misled believing that his goods are the goods of the plaintiff. In arriving at a decision the court must not surrender in favour of any witness its own independent view. 20. In support of his contention that the transborder reputation is recognised by Indian courts and that the actual sale is not necessary for such a goodwill and reputation, Shri Tulzapurkar cited a decision of the Division Bench of this court in the matter of *Kamal Trading Co. and others v. Gillette U.K. Ltd.* (1988 (Jan.) IPLR 134), where in at page 143 the division bench has observed as under : We must express our dissent with the taken in this case. In our judgment it is not possible to conclude that the goodwill or the reputation stands extinguished merely because the goods are not available in the country for some duration. It is necessary to note that the goodwill is not limited to a particular country because in the present days, the

trade is spread all over the world and the goods are transported from one country to another very rapidly and on extensive scale. The goodwill acquired by the manufactures is not necessarily limited to the country where the goods are freely available because the goods though not a available widely advertised in newspapers periodicals magazines and in other medias. The result is that though the goods are not available in the country, the goods and the mark under which they are sold acquires wide reputation. Take for example, the televisions, and video cassette recorders manufactured by National, Sony or other well know Japanese concerns. These televisions and V.C.R. are not imported in India and sold in open market because of trade restrictions, but is it possible even to suggest that the word 'National' or 'Sony' has not acquired reputation in this country ? In our judgment, the goodwill or reputation of goods does not depend upon its availability in a particular country. It is possible that the manufacturers may suspend their business activities in a country for short duration but that fact would destroy the reputation or goodwill acquired by the manufacturers. An identical view was taken by division of Mr. Justice S. K. Desai and Mr. Justice Bharucha in a judgment dated July 24, 1988 in Appeal No. 368 of 1986. The question for consideration before the division bench was whether the goodwill in the trade mark "7 O'Clock" stood extinguished because of non-availability of blades with the mark in India after year 1958. The division bench turned down the claim by pointing various reasons and we are in entire agreement with the observations made in the judgment on this aspect. 21. Then a reference was made to the decision of the single Judge of Delhi High Court in the matter of Whirlpool Corporation and another v. N. R. Dongre and Others (1995 IPLR 21), where in paragraph 17, after referring to several cases the Learned Judge observed as under : 'These cases recognised that the reputation of a matter, trading or carrying on the business in another country, can travel to a country where he had carried no business. The trader's transborder reputation can be the basis of the extensive advertisements and publicity. Such a trader could obtain injunction in a court where he was not trading to protect his reputations. The Indian courts also recognize the existence of transborder reputation.' The above decision was confirmed by the division bench of the Delhi High Court in appeal in N. R. Dongre v. Whirlpool Corporation (1996 of PTC 476). In paragraph 19, after discussing various cases the division bench observed that advertisement of a trade mark of a foreign trader in respect of a produced need not be associated with the actual use of the product in order to establish reputation. It was further observed that today advertisements in respect of goods and the trade marks under which they are marketed in one country are taken cognizance of in other countries. Business reputation is gained by the companies even in countries where their product is not used and is merely known through advertisements. Then in paragraph 25 the division bench has observed as under : "Thus a product and its trade name transcends the physical boundaries of a geographical region and acquires a transborder or overseas or extra territorial reputation not only through import of goods but also be its advertisement. The knowledge and the awareness of the goods of a foreign trader and its trade mark can be available at a place where goods are not being marketed and consequently

not being used". This decision of the division bench was confirmed by the Apex Court in the decision reported in 1996 PTC (16) 583. 22. Shri Tulzapurkar then referred to the decision of the division bench of the High Court of Madras in the matter of Haw Par Bros. International Ltd. v. Tiger Balm Co. (P) Ltd. & Others (1996 PTC 311), wherein in paragraph 115 of the judgment the division bench expressed its disagreement on the question of transborder reputation with the decision of the Delhi High Court in Whirlpool Corporation's case (supra) and the decision of the Bombay High Court in Kamal Trading Co. (supra). 23. Regarding common field of activity, both sides have cited several judgments. First one is in the matter of Derek McCulloch v. Lewis A May (Produce) Distributors) Ltd. (65 RPC 58), which is also known as Uncle Mac case. In the said case, Mr. Justice Wynn Parry observed as under : 'I have listened with care to all the cases that have been cited and upon analysis I am satisfied that there is discoverable in all those in which the court has intervened this factor namely that there was a common field of activity in which, however, remotely both the plaintiff and the defendant were engaged and that it was the presence of the factor that accounted for the jurisdiction of the court'. 24. However in the matter of Henderson and another v. Radio Corporation Pty. Ltd. (1969 RPC 218), the Full Bench of the High Court of South Wales in appeal observed as under : (at pages 233 and 234). "We have some difficulty in accepting the proposition stated in McCulloch's case. If deception and damages are proved it is not easy to see the jurisdiction for introducing another factor as a condition of the court's power to intervene". "We find it impossible to accept this view without some qualification. The remedy in passing off is necessarily only available where the parties are engaged in business using that expression in its widest sense to include professions and calling. If they are, there does not seem to be any reason why it should also be necessary that there be an area, actual, or potential, in which their activities conflict. If it were so, then subject only to the law of defamation, any businessman might falsely represent that his goods were produced by another provided that other was not engaged, or not reasonably likely to be engaged in producing similar goods. This does not seem to be a sound general principle." "In our view, once it is proved that A, is falsely representing his goods as the goods of B, or his business to be the same as or connected with the business of B, the wrong of passing off has been established and B is entitled to relief." "Passing off is a wrong and is actionable at law. In such an action damage is presumed on proof of passing off and therefore a nominal sum by way of damages follows as a matter of course. General damages may, however, only be awarded if there is evidence of damage. Instead of proceedings at law a plaintiff may sue in equity for an injunction, as may be done in respect of other wrongful acts of a different nature. If he sues in equity, he takes a advantage of the equitable principle that the court will interfere by injunction to restrain irreparable injury to property." 25. In the matter of Kirloskar Diesel Recon Pvt. Ltd. and another v. Kirloskar Proprietary Ltd. and others , the learned Single Judge of this court in paragraph 13 observed that with the passage of time, law on requirement of common field of activity in a passing off action has radically changed. He has further observed that the real

question in each case is whether there is as a result of misrepresentation a real likelihood of confusion or deception of the public and consequent damage to the plaintiff. In paragraph 14, the Learned Judge has observed as under : “In the case of trading name which has become almost a household word and under which trading name a variety of activities are undertaken, a passing off can successfully lie if the defendant has adopted identical or similar trading name and even the defendant does not carry on similar activity. Even if the defendant’s activities in such circumstances, are remote, the same are likely to be presumed a possible extension of plaintiff’s business or activities.” 26. Both the sides have heavily relied upon certain observations in the case of *Lego System Aktieselskab and another v. Lego M. Lemelstrich Ltd.* (FSR (1983) 155). In the said case, on pages 185 of 186 it is observed as under : “I am not impressed with that submission - as the recent *Advocate* case, extending further the striking development in the *Champagne* case of passing off a cause of action, clearly demonstrates, the law as to passing off, which is concerned with unfair trading, is constantly being developed to meet changing conditions and practices in trade. Moreover, all those earlier cases now have to be seen in the light of the authoritative statement of the law as to passing off enunciated by the House of Lords in the *Advocate* case.” Again on pages 186 of 1987, it is observed as under : “However, I respectfully agree with the observations of Oliver J in the *Abba* case : *Lyngstad & Others v. Anabas Products Ltd.* ((1977) FSR 62 at p. 67).” I think, if I may so with respect, that the Australian case to which I have referred is to some extent based on a misconception of what Wynn Pary J. was saying in *McCulloch v. May* (supra). The expression ‘common field of activity’, is not, I think a term of art, but merely a convenient shorthand term of indicating what the High Court of New South Wales itself recognised that is to say, the need for a real possibility of confusion, which is the basis of the action.” However, it is to the law as stated in the *Advocate* case that we now have to look and, in Lord Diplock’s formulation of the characteristics that are necessary ingredients to found a cause of action in passing off, there is no limitation as to the relation of the field of activity of the defendant to that of the plaintiff. Moreover, I have already drawn attention to the passage in his speech at p. 93, lines 8-14, in which Lord Diplock specifically recognizes that a cause of action for passing off may lie in a case where the plaintiff and the defendant are not competing traders in the same line of business. Although Mr. Morcom contended strongly that the respective fields of the plaintiffs and the defendants toys such as construction sets and building bricks on the one hand, and irrigation equipment, particularly for gardens, on the other, are too far apart for the defendants’ use of LEGO to amount to misrepresentation and, indeed, as I have indicated, went so far as to submit that a decision in this case in favour of the plaintiffs would be extending passing off further than has hitherto been extended in the absence of fraudulent intention, nevertheless he conceded that, in light of all the cases including the *Advocate* case, he could not submit that as a matter of law (my emphasis) passing off could never be established when the respective fields of the plaintiff and the defendant were completely unrelated. In my judgment, he was right in making that concession. Of course, that is not to say that the

proximity of a defendant's field of activity to that of the plaintiff will not be relevant to whether defendant's acts complained of amount to a misrepresentation in any particular case; plainly it will at least in most cases. But, in my judgment there is much force in Mr. Aldous's submission, based on the extent of the plaintiffs' reputation in their mark LEGO, that if, as he contended, was this case, the plaintiffs' mark has become part of the English language in the sense that everybody associates LEGO with a particular company, namely, the manufacturer of the Lego toy construction sets and building bricks, then the misrepresentation by the defendant's use of the mark is easier to assume and to prove; on the other hand, if the mark or name concerned has only a limited field of recognition it is obviously more difficult to establish its understanding as denoting the plaintiffs' goods in a field which is not directly comparable with the field of that plaintiffs' goods". On page 196 it was observed as under : "But as to the plaintiffs' goodwill being only in a very specific field. I do not accept that submission - their reputation in their mark LEGO to which their goodwill is attached, is such that it extends beyond the field in which they have hitherto been engaged and, as I have held, has been demonstrated to be so extensive that its use by the defendants on goods such as their coloured plastic garden sprinkles would mislead a very substantial number of persons who would think such use denoted the plaintiffs' goods or some association or connection with the plaintiffs." 27. In support of his submission that some trade connection is sufficient in order to succeed in passing off action, Shri Tulzapurkar relied upon the decision of the Supreme Court in the matter of Corn Products Refining Co. v. Shangrila Food Products Ltd. . In the said case the respondent was a manufacturer of biscuits and applied for registration of a mark Glucovita in respect of biscuits manufactured by it. The appellants had earlier registered the mark "Glucovita" and objected to the registration of mark "Gluvita" in respect of the biscuit manufactured by the appellants. In paragraphs 19 and 20 the Apex Court has observed as under : "19. It was then said that the goods were not of the same description and that, therefore, in spite of the similarity of the two marks there would be no risk of confusion or deception. We are unable to accept this connection. It is true that we have to proceed on the basis that the goods are not of the same description for the purposes of Section 10(1) of the Act. But there is evidence that glucose is used in the manufacture of biscuits that would establish a trade connection between the two commodities, namely, glucose manufactured by the appellant, and the biscuits produced by the respondent. An average purchaser would therefore, be likely to think that the respondent's 'Glucovita biscuits' were made with the appellants' 'Glucovita' glucose. This was the kind of trade connection between different goods which in the 'Black magic' case (In re : an Application by Edward Hack) (1940-58 RPC 91) was taken into consideration in arriving at the conclusion that there was likelihood of confusion and deception. The goods in this case were chocolate coatings. We may also refer to the 'Panda' case (In re : an application by Ladislav Jellinek) (1946-63 RPC 59). The goods there concerned were shoes and shoe polishes. It was observed that shoe polishes being used for shoes, there was trade connection between them and that this might lead to confusion or

deception though the goods were different. The application for registration was however, refused under that section the English Act which corresponds to Section 8 of our Act on the ground that the opponents, the manufacturers of shoes, had not established a reputation for their trade mark among the public. "20. It is true that in both the abovementioned cases the two competing trade marks were absolutely identical which is not the case here. But that in our opinion makes no difference. The absolute identity of the two competing marks or their close resemblance is only one of the tests for determining the question of likelihood of deception or confusion between different goods is another such test. Exhypothesi, this latter test applies only when the goods are different. These tests are independent tests. There is no reason why the test of trade connection between different goods should not apply where the competing marks closely resemble each other just as much as it applies, as held in the "Black Magic" and "Panda" cases, where the competing marks were identical. Whether by applying these tests in a particular case the conclusion that there is likelihood of deception or confusion should be arrived at would depend on all the facts of the case." 28. In the matter of Bajaj Electrical Ltd. v. Metals & Allied Products Bombay and another (1988 Bombay 167), the plaintiffs had been manufacturing and marketing electrical kitchen appliances, kitchen wares and domestic appliances for a number of years and had great reputation operating all over India known as "Bajaj Groups". The defendant Metals & Allied Products was a partnership firm and was manufacturing kitchen appliances such as hot-pot, hot carrier, ice box, hot lunch box etc. It was contended that the goods manufactured by the plaintiffs and the defendants are totally different and, therefore, there is no cause or apprehension that the use of the word "Bajaj" is likely to cause deception or confusion in the mind of the public. The Court held that mere fact that the articles manufactured by the contesting parties are different in nature is no answer to the claim that the defendants were guilty of passing off. 29. A reference was also made to a decision of the High Court of Justice - Chancery Division in the matter of Treasure Cot Co. Ltd. v. Hamley Bros. Ltd. (67 RPC 89). The plaintiffs therein before was had some small business in toys. No records were produced by the court was told that the sale of toys presented perhaps 3 per cent of the turnover. The plaintiffs disclaimed any particular reputation in this field though it appeared on the evidence to be known to their customers that they did sell toys. On the basis of the material it was found that no actual case of deception is proved but the question is whether one is likely. Though the plaintiffs had no particular reputation in connection with toys, it was held possible for a trader to obtain protection in a field outside that in which his name is known if the proper inference to draw is that the use of that name in the new connection will mislead the public. It was held that the plaintiffs have acquired a very wide reputation in connection with children's requirements and that this was based on their "Treasure Cot" which is not only the name by which the company is known but its primary produce and the articles upon which the whole business has been built. It would not, therefore, be surprising to find that those who know of the babies' "Treasure Cot" as the plaintiffs produce would assume that a miniature version of it suitable for a doll

was also something for which the plaintiffs were responsible and that is indeed what the plaintiffs set out to prove. 30. A reference was also made to a famous case in the matter of The Eastman Photographic Materials Company Ltd. and another v. The John Griffiths Cycle Corporation Ltd. and the Kodak Cycle Company Ltd. (Kodak case) (15 RPC 105). It was held that the word “Kodak” had become identified with the Eastman Photographic Materials Co. and with their goods, that the evidence showed a close connection between the bicycle and photographic traders. 31. In the case of British Broadcasting Corporation v. Talbot Motor Company Ltd. (1981 FSR 228), in an action for passing off the BBC sought interlocutory relief to restrain the use of the name CARFAX in relation to motor vehicle fittings. Prior to the events which led to this action, the BBC had been experimenting with a traffic information system capable of being received in a vehicle by a special or adapted car radio. The system had not yet been put into operation. BBC gave evidence that considerable preparatory work had been carried out with this in view. There was evidence that the BBC’s scheme had received publicity on the television, in the trade press and at the 1980 Motor Show. The defendants, who were motor vehicle manufacturer, wished to use the name CARFAX in relation to a vehicle spare parts service. They had expended much money and effort in preparatory work with a view to launching the scheme in January 1981. During the course of this preparatory work, the defendants had become aware of the BBC’s activities in relation to the word CARFAX as a result of a trade mark search and having look into the matter, concluded that there would be conflict between the parties provided they, the defendants did not use the name in relation to car radios. When the BBC learned of the plaintiff’s activities they complained and having received no reply satisfactory to them, launched this motion. At the outset, the defendants offered an undertaking not to sell radio receivers. They asserted that no action in passing off lay since there was not prospect of trade being taken from the BBC by the defendants and that the BBC would not be damaged in any reputation they have by any confusions with the defendants. The BBC asserted that if the defendants’ use of the name CARFAX were not enjoined, their scheme would be dead. It was not in issue that the decision on motion would have a serious and immediate effect on one side or the other. It was held, granting interlocutory relief; 1) Since the outcome of this motion might prove decisive one way or the other, it was proper in considering the balance of convenience to estimate the plaintiffs’ prospects of success at full trial. 2) There was ample evidence that a significant part of the public knew about the name CARFAX as distinctive of the BBC’s system. 3) The fact that the scheme had not yet been launched did not prevent the BBC from having built up goodwill in it which was entitled to protection. 4) The dangers of confusion were real. Both schemes were concerned essentially with motor vehicles and the evidence showed what might be called a natural expectations that car radios would be included in a vehicle spare parts service. 5) In passing off, it is the injury to the goodwill rather than the precise method of inflicting that injury that matters. 6) The prospects of success at trial must be judged as at the date of the interlocutory application. 7) Both the balance of convenience and preservation of the status



quo favoured granting interlocutory relief." On page 234 it was observed as under : "What was much disputed was damage to the BBC. Mr. Yorke contended that no action for passing off lay since there was no prospect of Talbot filching trade from the BBC and it was not contended that the BBC would be damaged in their reputation by any confusion with Talbot. It was not a case like *Harrods Ltd. v. R. Harrod Ltd.* (supra), where the well known London stores would be injured by confusion with moneylender nor was it a case of inferior goods being misrepresented as being superior goods of the same manufacture. I don't think that these heads exhaust the categories of passing off. If there is goodwill attached to the name" (I use Lord Fraser's expression in the *Warnink* cast at page 775) and that goodwill is injured by another person who uses that name for his goods, then if the other requirements of the tort are satisfied I don't see why the injured party should recover damages for his injury even if that injury is caused by some means other than filching trade or damaging the reputation. It is the injury to the goodwill rather than the precise method of inflicting that injury that matters; and if that injury is inflicted by a process of passing off, the major requirements of the tort are satisfied." On page 236, it was observed as under : "On the balance of convenience, I do not think that there is great deal in it. Defeat for either side involves a risk that the loser's scheme will have to be abandoned, due in considerable degree to problems of finance. Understandably no evidence has been directed to the ability of either party to pay damages, though on this the BBC's position seems to be stronger; for Talbot are not finding that manufacture of cars profitable under present conditions, and are looking to their CARFAX scheme for them. The probability seems to be that they will be driven to continue their scheme under another name, and so the assessment of their damages would largely be directed to wasted expenditure and the effects of delay. If Talbot set about it with a will, I doubt if the delay involved would be much more than half the six months that they claim. The loss to Talbot could, I think be more readily estimated than the loss to the BBC. On the whole I think the remedy of damages affords Talbot rather better protection than it would the BBC." 32. In the case of *L.R.C. International Limited and another v. Lilla Edets Sales Company Ltd.* (1973 RPC 560), the facts were as under : In passing off action the second plaintiff was a trading company which sold under the mark "Marigold" household gloves and plastic parts for babies. The first plaintiff was a holding company, which also owned certain registered trade marks consisting of the word "Marigold". The plaintiffs sought an interlocutory injunction to restrain passing off by the sale of toilet tissues under the mark "Marigold" the mark being represented in a similar form to that used by the plaintiffs. Apart from a general complaint relating to the undoubted confusion which the plaintiffs stated would arise if the defendants were not restrained, the plaintiffs also stated that it was their intention to extend the field of their activities and that they had under actual consideration a proposal to extend their sales to include nappy liners and disposable nappies, which might be made of paper, tissue or non-woven fibre, and bin liners. The defendants objected that what the plaintiffs were really seeking to do was to secure a monopoly in the word "Marigold". On these facts it was held that the

defendants were entitled to raise the question as to how far beyond their own specific field of activities the plaintiffs were entitled to extend the area within which they ought to be given protection. However, on the admitted reputation of the plaintiffs in their own particular field, and on consideration of the nature of the goods in which the defendants were dealing the nature of the goods in which the plaintiffs were dealing the proposed to deal, it would be right for an injunction to be granted. On page 562 it was observed, "Therefore, the position here is that we have the plaintiffs with an accepted reputation in their particular field of household glove and plastic paints for babies and the defendants come in with this with a mark which is identical as a word, and a mark which is to my mind is substance identical in the way in which it is presented; but they come in a different field, namely the field of toilet paper, toilet rolls or toilet tissue, call it what you will. 33. In the matter of Daimler Benz Aktogesellschaft and another v. Hybo Hindustan (AIR 1994 Delhi), the plaintiffs Benx sought injunction against the defendants using the name "Benz" for the production like undergarments. It was held as under : "There are names and marks which have become household words." "Benz" as name of a Car would be known to every family that has ever used a quality car. The name "Benz" as applied to a car, has a unique place in the world. There is hardly one who is conscious of existence of the car/automobiles who would not recognize the name "Benz" used in connection with cars. Thus the boxes in which the defendant sells its undergarments for men, and the representation thereon is of a man with his legs separated and hands joined together above his shoulder, as within a circle, indicate, the strong suggestion of the link between the three pointed star of "Mercedes Benz" car and the undergarments sold by the defendant. This cannot be considered to be a "honest concurrent user" by the defendant of the above said symbol. Therefore the defendant could be restrained from using the word "Benz" with reference to any underwear which is manufactured by them, and injunction could be issued restraining the defendant to cease and desist from carrying on trade in any undergarments in the name of "Benz" and "Three Pointed Human Being in a Ring" forthwith. The Trade Mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods especially so when the reputation extends world wide. By no stretch of imagination can it be said that use for any length of time of the name "Benz" should not be objected to." 34. In the matter of Alfred Dunhill Limited and another v. Synoptic S.A. and another (1979 FSR 337), the plaintiffs A.D. Ltd. had for many years carried on business in the United Kingdom and, through various subsidiary and associated companies, throughout the world in the sale of tobacco products, smokers' requisite and a wide range of luxury goods. Their entire business had been conducted under the name and trade mark "Dunhill" and the evidence showed that they were widely known as "Dunhill of London". They had not sold sunglasses or spectacle frames in the United Kingdom, though their American subsidiary had made small sales of sunglasses in the USA. They were, however, involved in negotiation with a view to entering the market. The first defendant, S.S.A. a Swiss company, began to advertise and sell sunglasses and spectacle frames under the

trademark “CD Christopher Dunhill-London”, pursuant to an agreement with the second defendant, C.D. who was the great grandson of the founder and son of the present chairman of A.D. Ltd. By the agreement C.D. in consideration of large royalties, licensed S.S.A. to use his name in that manner and undertook to act as consultant, in relation to the range of sunglasses and spectacle frames to be sold by S.S.A. It was admitted that he had no particular expertise in that field but the defendants argued that he was entitled to use his own name to further his own commercial aims and ambitions. The plaintiffs moved for a world wide interlocutory injunction but at the hearing restricted the relief sought to certain specified countries. Whitford J. held that the evidence of the plaintiffs’ reputation was “meagre”, but was not prepared to hold that the plaintiffs’ had no reasonable prospect of success in their claim for a permanent injunction at the trial. He refused interlocutory relief on the ground that the plaintiffs’ would not suffer significant damage pending the trial and the grant of injunction would be a serious impediment to the defendants’ operation. He further stated that, even if an injunction had been granted, he would not have granted it in respect of any countries other than United Kingdom. The plaintiffs’ appeal to the court of Appeal, and argue that, this being a plain case of deliberate attempt by the defendants to “cash in” on the plaintiffs’ reputation and there being in the evidence adduced no credible dispute on the primary facts, the court was entitled within the principles laid down by the House of Lords in *American Cyanamid v. Ethicon*, to consider the merits of the plaintiffs’ case, and should not hesitate to stop by injunction a blatant fraud. They further argued that damages would be an inadequate remedy to the plaintiffs if an injunction were refused. Upon further evidence which was admitted in the court of Appeals the plaintiffs argued that the harm which an injunction would cause to the defendants would be much less than the harm which the plaintiffs would suffer if the defendants’ activities were allowed to continue pending the trial. Allowing the appeal it was held as under : “(1) that there were in the evidence substantial disputes on the facts, in particular as to allegation of fraud and the extent of plaintiffs’ reputation, and in the circumstances this was not a case which could be decided by considering the respective merits of the parties’ cases even if (which the court did not decide) it would be proper to do so in a case where there was no substantial dispute as to the facts. (2) That damages would be an inadequate remedy to the plaintiffs if they were ultimately to succeed and there was no doubt as to the ability of the defendants to pay the damages which might be awarded in that event, where as the damage which would be caused to the defendants if any interlocutory injunction were granted was shown by the documents produced at the hearing of the appeal to be considerably less than they had asserted in their evidence and less than the judge had feared. (3) That the injunction should be restricted to the United Kingdom and Switzerland, that being the only country in respect of which there was evidence of foreign law. The appeal court also observed on page 362 that”with very great respect to the learned Judge the judgment does not seem to deal with the point that it was the alleged damage to the overall Dunhill reputation which was in issue and not damage to particular classes of goods which Dunhill were presently involved in selling“. 35. The

division bench of the Calcutta High Court in the matter of Rustom Ali Molla and other v. Bata Shoe Co. Ltd. , in paragraph 9 thereof held as under : "In our view, the mark "Bata" not having been associated in the public mind with lungis or handkerchiefs, these goods being of a totally different character from those of the respondents' goods, the appellants' users of the said mark or name in respect of lungis or handkerchiefs of their manufacture cannot constitute any passing off of their goods as those of the respondents". It is relevant to notice that in paragraph 16 the division bench expressly observed that "This is an action of passing off goods and not any business or business name. In fact the force of the observations in *The Clock Ltd. v. The Clock House Hotel Ltd.* ((1936) 53 RPC 269) was not doubted, which is as under : "There is really no dispute and can be no dispute as to the principal of law involved in this case. The principle is this, that no man is entitled to carry on his business in such a way or by such a name as to lead to the belief that he is carrying on the business of another man or to lead to the belief that the business which he is carrying on has any connection with the business carried on by another." The single Judge of the Allahabad High Court on the other had in the matter of *Bata India Ltd. v. M/s. Pyare Lal & Co.* Meerut city and others took a different view. In paragraphs, 27, 29 and 30 respectively, it was observed as under : "With great respect, I regret my inability to subscribe to the view taken by the Calcutta High Court. Merely because the plaintiff in the present case is not producing foam is not enough to hold that there can be no passing off action in respect of the user of the name "Bata" to the products marketed by the defendants. The user to the name or mark "Bata" by the defendants is indicative of their intent. It appears that they desire to market their foam with a view to gain some advantages in competitive market. As seen earlier, there is no plausible explanation as to why the name "Bata" was being used by them. A passing off action would lie even if the defendants were not manufacturing or producing any goods similar to that of the plaintiff. A passing off action would lie where misrepresentation is likely to be caused or a wrong impression created, as if the product was of some one else." "The ultimate test was whether the defendants have any right to represent their business as the business of the plaintiffs. It leads to the question as to why the defendants were using the name "Bata" to their product." "An action for passing off is not merely to prevent confusion the goods which one is producing as against that of another. The goods which are produced and marketed under the name of another trader which has by long user acquired a name and goodwill of its own will also be submitted of a passing off action. In my opinion, the contention raised by the learned counsel for the plaintiff's company can be accepted. Merely because the plaintiff does not produce any foam material would not mean that the plaintiff has no right of action in passing off as against the defendants." At this stage it may be relevant to notice that in the Book entitled "The Trade and Merchandise Marks Act, 1958, 2nd Edition (1974) by K. S. Shavaksha page 427 (Appendix IX), with reference to a division bench judgment of Calcutta High Court in the case of *Rustom Ali Molla v. Bata Shoe Co.*, it was observed by the learned author that passing off is entirely a question of fact depending upon the nature and reputation of the

trade mark. It is further noted therein that in fact the plaintiffs appealed to the Supreme Court and by consent the above decision was set aside and interim injunction was granted for one month during which period the District Court heard the case and in a reasoned judgment granted the injunction prayed. From that judgment there was no appeal. 36. A reference was also made to a decision of the Learned Single Judge in the matter of Indian Aluminium Co. Ltd. v. Indals (Agencies) Pvt. Ltd. (1991 (4) BCR 373) as well as to an unreported judgment dated 27-11-1990 of the Learned Single Judge of this court in the matter of Alkem Laboratories Pvt. Ltd. v. Alchem (India) Ltd. in notice of motion No. 3028 of 1998 in suit No. 3198 of 1988, in which judgment after referring to several cases and the legal principles enunciated in the authoritative books on the subject, the learned Judge in paragraph 9 observed that at the interlocutory stage the court must be satisfied on an assessment of all available material, at least prima facie, that there has been or there is likely to be imminent danger to the goodwill of the plaintiffs before an injunction can issue. In the facts of the case before him the learned Judge was not satisfied that the injunction needs to be issued as in the opinion of the learned Judge on the basis of the material on record the goods manufactured by the defendants were totally different and fall in a different class; the manner of ordering the goods is different; the trade channel of distribution are wholly distinct and the type of customers who ask for the goods of the defendants is different from the type of customers who ask for the plaintiffs goods. 37. A reference was also made to the judgment of the Learned Single Judge in the matter of Sony Kabushiki Kaisha v. Shamrao Maskar and others . The question therein was whether the registration of a trade mark "SONY" for Nail Polish" is likely to deceive or cause of confusion in minds of customers of electronic goods bearing trade mark "Sony". It was held as under : "The factors creating confusion would be the nature of the mark itself, the class of customers, the extent of the reputation, the trade channel, the existence of any connection in the course of trade, but the list is not exhaustive and there will be several other circumstances which are required to be taken into consideration in combination before recording a conclusion as to whether there is a likelihood of deception or confusion by use of the mark. It was also held on facts that registration of mark Sony in respect of nail polish is not likely to cause confusion or deception in minds of customers of the electronic goods like television, tape recorders and transistors manufactured by the petitioners a joint stock company of Japan, under the mark "Sony". It was further held that the electronic goods and nail polish are items poles apart; looking to the nature and purpose of their use, there is also no common field of activity in the course of trade of the two items, and the classed of customers who would purchase the two items are distinct and different". 38. In support of submission that once the explanation offered by the defendants for adopting the word "Volvo" is held to be unacceptable and illusory or dishonest, then probability of deception and the damage to the plaintiffs will have to be accepted automatically, reliance was placed on Schering Corporation and others v. Kilitch Co. (Pharma) Pvt. Ltd. (1994(1) IPLR 1) The division bench of this court was dealing with a trade mark "QUADRIDERM" a stylised word, for skin ointment, sold in tubes

and cartons of distinctive features. The defendants began using the trade mark CORI-DERM for sale of their tubes of skin ointment in similar cartons. It was held that mere lapse of time does not amount to laches and by reason of such lapse of time the defendants have not altered their position nor have any equities come into existence which entitle the defendants to protection. It was observed in the said judgment that the Bench had no hesitation in rejecting the explanation given by the defendants for adoption of the word and it was further held that the fact that false explanation was sought to be given must have relevance on the question of intention of the defendants and whether interim relief is required to be granted. It was also held that once it is established that there is visual and phonetic similarity, and that the defendant's adoption of the trade mark is not honest or genuine then the consideration of any plea as to delay must on the consideration whether there has been such delay in the matter as has led the defendants to assume that the plaintiffs have given up their contention and/or whereby the defendants have altered their position so that it would be inequitable to grant interim relief to stop them from using the trade mark until the suit is decided. 39. Shri Tulzapurkar also referred to a judgment of the Learned Single Judge of the Delhi high Court in the matter of Ciba Geigy Ltd. v. Crosslands Research Laboratories Ltd. (1996 PTC (16)), wherein in paragraph 29 it is observed as under : "The uncandid statement made by the defendant about the selection of the word makes me infer that the defendant has done it with deliberate intention of obtaining pecuniary advantages from the wide reputation of the plaintiff's business all over the world. As I had noticed above, the defendant gives different reasons for the adoption of the word "Volta". Shri Tulzapurkar also cited a judgment of the learned Single Judge of this court dated 12-4-1989 in notice of motion No. 2613 of 1987 in suit No. 2899 of 1987 wherein the Learned Judge observed as under : "The defendants were unable to explain as to how the mark "FUTURA" was adopted. The only explanation offered by Shri Tulzapurkar for the defendants was that the defendants commenced production of a novel product and which, according to the defendants, would be a product for the future and therefore, the trading name was adopted. The explanation is entirely unsatisfactory and it is obvious that the defendants adopted the trading name only with a view to trade upon the reputation of the registered mark of plaintiffs. The plaintiffs have made out prima facie case for grant injunction and not prejudice whatsoever would be caused to the defendants by issue of injunction as the defendants were aware all along that they could not trade in the name of "Future packing (India) Ltd." Shri Tulzapurkar also pointed out that the said order of the Learned Single Judge was confirmed by the Division Bench by its order dated 23-6-1989 in appeal No. 552 of 1989. 40. On the powers of the appeal court in an appeal against interlocutory and discretionary order Shri Tulzapurkar relied upon the decision the Privy Council in the matter of Evans v. Bartlam (1934 appeal Cases 473), wherein it was observed as under : "While the court of the Appeal will not normally interfere except on grounds of law with the exercise of the Judge's discretion, if it is seen that on other grounds his decision would result in injustice being done, the Court of Appeal has both the power and the duty

to remedy it". 41. Shri Tulzapurkar also relied upon the decision of the court of Appeal in the matter of Harrods Limited v. Harrodian School Limited (1996 RPC 697). At page 706 of the said judgment it is observed as under : "Subjective intention to deceive. Deception is the gist of the tort of passing off, but is not necessary for a plaintiff to establish that the defendant consciously intended to deceive the public if that is the probable result of his conduct. Nevertheless, the question why the defendant chose to adopt a particular name or get up is always highly relevant. It is a question which fails to be asked and answered" (see *Sodastrem Ltd. v. Thorn Cascade Co. Ltd.* ((1982) RPC 459 p. 466)) per Kerr L.J.). If it is shown that the defendant deliberately sought to take the benefit of the plaintiff's goodwill for himself, the court will not "be astute to say that he cannot succeed in doing that which he is straining every nerve to do", see *Slazenger & Sons v. Feltham & Co.* ((1989) 6 RPC 531 p. 538) per Lindley L.J."

42. On the question of acquiescence Shri Tulzapurkar relied upon a decision of the Chancery Division in the matter of *Willmott v. Barber* (15 Chancery Divn. at page 96). On pages 105 and 106 of the said decision it is observed as under : "It has been said that the acquiescence which will deprive a man of his legal rights must amount to fraud, and in my view that is an abbreviated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would make it fraudulent for him to set up those rights. What, then, are the elements or requisites necessary to constitute fraud of that description ? In the first place the plaintiff must have made a mistake as to his legal rights. Secondly, the plaintiffs must have expended some money or must have done some act (not necessarily upon the defendant's land) on the faith of his mistaken belief. Thirdly, the defendant the possessor of the legal right, must know of the existence of his own right which is inconsistent with the right claimed by the plaintiff. If he does not know of it then he is in the same position as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge of the legal right. Fourthly, the defendant, the possessor of the legal right, must know of the plaintiff's mistaken belief of his rights. If he does not, there is nothing which calls upon him to assert his own rights. Lastly, the defendant, the possessor of the legal right, must have encouraged the plaintiff in his expenditure of money or in the other acts which he has done, either directly or by abstaining from asserting his legal right. Where all these elements exist, there is fraud of such a nature as will entitle the court to restrain the possessor of the legal right from exercising it, but, in my judgment, nothing short of this will do." 43. Shri Tulzapurkar also relied upon judgment of the Apex Court in the matter of *M/s. Power Control Appliances & Others v. M/s. Sumeet Machines Pvt. Ltd.* (Judgments Today 1994(2) Sec. 70). In paragraph 29 of the said judgment it is observed as under : "Acquiescence is sitting by, when another is invading the rights and spending money on it. It is course of conduct inconsistent with the claim for exclusive right in a trade mark, trade name etc. It implies positive acts, not merely silence or inaction such as is involved in laches". 44. On the point of delay Shri Tulzapurkar also replied upon a decision of the Learned Single Judge of the Delhi High Court in the matter of *M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationery*

Products Co. & Another . In the said case it was observed as under : “Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, it has been consistently held that if the defendant acts fraudulently with the knowledge that he is violating the plaintiffs rights then in that case even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. Where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim of damages or rendition of accounts but the relief of injunction should not be refused. This is also because it is in the interest of the general public, which is the third party in such cases which has to be kept in mind. In the case of inordinate delay or laches, as distinguished from the case of an acquiescence, the main prejudice which may be caused to the defendant is that by reason of the plaintiff not acting at an earlier point of time the defendant has been able to establish his business by using the infringing mark. Inordinate delay or laches may be there because the plaintiff may not be aware of the infringement by the defendant or the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiffs business. Nevertheless, if the Court comes to the conclusion that prejudice is likely to be caused to the general public who may be misled into buying the goods manufactured by the defendant thinking them to be the goods of the plaintiff then an injunction must be issued. The court may, in appropriate cases, allow some time to the defendants to sell off their existing stock but injunction should not be denied”. “Where the plaintiff, however, is guilty of acquiescence, there different considerations may apply. Acquiescence may be a good defense even to the grant of a permanent injunction because the defendant may legitimately contend that the encouragement of the plaintiff to the defendant’s use of the mark in effect amounted to the abandonment by the plaintiff of his right in favour of the defendant and, over a period of time, the general public had accepted the goods of the defendant resulting in increase of its sale. However, it will be for the defendant in such cases to prove acquiescence by the plaintiff. Acquiescence cannot be inferred merely by reason of the fact that the plaintiff has not taken any action against the infringement of its rights”. 45. Shri Tulzapurkar also submitted that the law on trade marks and passing off is developing na din that behalf he referred to the Trade Mark Bill of 1993 and particularly to explanation II to section 11(4) which states that “In determining whether a trade mark is well known, account shall be taken of the knowledge of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark”. Shri Tulzapurkar submitted that though this is merely a Bill, it indicated the trend of the Legislature and the court should normally go along with the trend of the Legislatures in such matters. 46. Shri Tulzapurkar referred to McCarthy on Trade Marks and Unfair Competition, 1994 3rd Edition Volume I and the following passage. “11.14. Obscure and Foreign Descriptive Terms; (1) Obscure Terms; The fact that only lexicographers or devotees of antiquity may recognize the descriptive feature of a mark is irrelevant to the critical enquiry of the effect of the term upon a substantial segment of prospective purchasers. For example



the mark RELECHRON for electric clocks was derived from Greek roots meaning 'time from a distance'. But only Greek scholars would so recognize this subtle description. The court said that the mark TELECHRON was merely a 'coined word with a penumbra of suggestion' and that even translation from a Greek conveys an idea too imprecise as to be labelled 'descriptive'. Similarly, the mark L'ORIGAN was held nondescriptive for perfume even though there is an old English word 'origan' meaning a 'wild majoram' flower. Obviously only botanists would be likely to be aware of such a connotation". (2) The Doctrine of Foreign Equivalents (a) Applying the Doctrine Under the 'doctrine of foreign equivalents', foreign words are translated into English and then tested for descriptiveness or genericness. However, the 'doctrine of foreign equivalents' is not an absolute rule, for it does not mean that words from dead or obscure languages are to be literally translated into English for descriptive purposes. The test is whether, to those American buyers familiar with the foreign language, the word would have a descriptive connotation. Foreign words from dead languages such as Classical Greek, or from obscure languages such as those of the Hottentots or Patagonians might be so unfamiliar to any segment of the American buying-public that they should not be translated into English for descriptive purposes. However, words from modern languages such as Italian, French, Spanish, German, Hungarian, Polish etc. will be tested for descriptiveness by seeing whether the foreign word would be descriptive to that segment of the purchasing public which is familiar with that language." The learned Author has commented as under : "A rigid, unthinking application of the 'doctrine of foreign equivalents' can result in a finding quite out of phase with the reality of customer perception. The 'doctrine should be viewed merely as guideline and applied only when it is likely that the ordinary United States purchaser would stop and translate the word into its English equivalent. Thus, use of a term such as 'LA POSADA motor hotel' would not be generic or descriptive even though 'la posada' is roughly equivalent to the English word 'the inn'. If the foreign word is very similar to English equivalent such as OPTIQUE for eyeglass, AROMATIQUE for toilet water or SELECTA for beer, it would be descriptive under the rationale of the misspelling rule. Or, for some products, American customers are familiar with an often used foreign term, such as 'Blanc' for white wine and champagne. Similarly, if the product is specifically directed to an ethnic customer group in the United States, such customers are likely to take the foreign word in its original meaning such that translation for trade mark purposes is appropriate. Thus, if canned ham is directed at a Polish speaking market, use of the phrase MARKA DOBRA SZYNKA meaning mark of a good ham would be treated as descriptive." 47. Shri Tulzapurkar also referred to the Law of Passing Off 1995 edition by Christopher Wadlow. On page 357 under the title "Establishing Distinctiveness", it is observed that "A mark can only become distinctive by use, but there is no rule of law as to what kind or amount of use is necessary or sufficient to found the action. What is in issue is whether there has been a material misrepresentation which in turn depends on whether the mark has become distinctive to a sufficient proportion of the public. In general the plaintiff's case will be strengthened by use which

has lasted a long time and been on a large scale, but neither is essential". In the same book under heading "Descriptive and Generic terms" it is observed as under : "Descriptive" and "fancy" words compared. A distinction is sometimes drawn in which "fancy" words are contrasted with those which are *prima facie* descriptive. A fancy word is one which has not obvious relevance to the character or quality of the goods or business in relation to which it is used, such as Eureka for shirts, Clock for an hotel, or June for toiletries. It is of an arbitrary and fanciful nature' in that context. Whether a word is fancy or descriptive may depend on how it is used. "Health" may plausibly be called a fancy word in respect of fishing gear but not for cocoa. The significance of the difference is that distinctiveness is very much more easily acquired for fancy words and it is inappropriate to speak of secondary meaning when the word has no primary meaning to displace. However, the decision to categorise a word as fancy or descriptive is only one part of the wider issue of whether there is a material representation to restrain. Inherent ability to distinguish is always a matter of degree with there being a continuous spectrum between the highly fanciful and the obviously descriptive. Wherever the name may fall on that range, what matters is whether the name is distinctive in fact." 48. Shri Tulzapurkar also referred to Kerly's law of Trade Marks and Trade Names twelfth edition. Under the heading "The action for passing off" - 16.02 definition; it is stated as under : "See also *Reckitt & Colman v. Borden* ((1990) RPC 341 (III)) (see post paras 19-67, 16-77), where their Lordships reverted to the "classical trinity"." The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number : First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying get-up (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or service is the same as the source of those offered by the plaintiff. Shri Tulzapurkar also brought to our notice the footnote II on page 44 which is as under : "Footnote II - Definitive statements of the law are so often overtaken by subsequent events. When dealing with a case of so-called "reverse passing off" the court of appeal in *Baristal Conservatories v. Conservatories Custom Built* (1989 RPC 455), preferred a conventional analysis of passing off, albeit with unusual facts expressing views about "Advocate" viz. that the respective five probanda of Lords Diplock and Fraser are not cumulative, that Lord Fraser's probanda were stated in relation to the type of case the was

considering and not of universal application, and that it was not correct that passing off was limited to 'classic' cases and the 'extended' form established in "Advocate". In regard to the field of activity Shri Tulzapurkar brought to our notice the observations on page 351 of Kerly's Law of Trade Marks and Trade Marks 12th Edition, which are as under : "Thus one judge doubted whether a manufacturer could ever monopolise a mark outside his own line of business and it may be said generally that establishing passing off by goods in which the plaintiff does not trade calls for special evidence to establish that the defendant's actions will induce the belief, if not that his goods are those of the plaintiff at least that his business is an extension of or somehow connected with that of the plaintiff, or his goods somehow are approved or authorized by the plaintiff. Where the fields of activity of the parties are different, the burden of proving that the defendant causes real likelihood of damage to the plaintiff is a very heavy one. There is some authority for saying that goodwill may extend to natural future extensions of a business, so that a plaintiff may be entitled to prevent use of his name or marks on goods he expects to sell in the future but the Court of Appeal in "Stringfellow's" doubted that loss of a possible field for "merchandising" of the mark concerned was a permissible head of damage in passing off." "The relevant date, when it comes to proving reputation is the date when the defendant commenced the acts complained of." 49. Shri Tulzapurkar also relied upon the passage 392 - "16.52 Name suggesting a branch or agency - If the name of the defendant company is one which is calculated to lead to the belief that it is an agency, branch or department of the plaintiff company, an injunction will be granted unless, of course, what is suggested is true." Shri Tulzapurkar also pointed out following passage on page 408 : "16-73. Fraudulent intention. If it is shown to have been intended by the defendant to deceive, the burden of proof is much lighter and the court will not generally push the inquiry further. But the intention is only evidence of the actual deception or probability of deception which may be inferred from it. If the court does not believe that there is any probability of deception, the action must fail. The law does not take notice of a fraudulent intention in a man's mind if he does nothing to carry out the fraud." "When once you establish the intent to deceive, it is only a short step to proving that the intent has been successful, but still it is a step, even though it be a short step". The existence of unexpected and unexplained similarities, between the goods of the defendant and those of the plaintiff or of similarities which have been modified by colourable differences or by differences and distinctions so arranged as to escape notice, the use by the defendant of descriptions, which as applied to himself or his own trade are inaccurate, and by reason of their inaccuracy approach more nearly to the proper description of the plaintiff, and the gradual approximation of the defendant's names, get up or description to those of the plaintiff are all obvious badges of fraudulent intention frequently recurring in the cases which come before the court." 50. Shri Devetri for the respondent cited a decision of the Privy Council, wherein it was observed as under : "There can obviously be no monopoly in the use of the trade mark. A manufacturer of cigarettes under an undoubted trade, mark such as an animal, or any other device, cannot legally object on, say, hats, or

soap, for the simple reason that purchasers of any of the latter kinds of goods could not reasonably suppose, even if they were well acquainted with the mark as used on cigarettes, that its use on hats or soap denoted that these goods were manufactured or marketed by the cigarette manufacturer. Where a manufacturer of smoking tobacco is selling his goods under a certain trade mark, the question whether manufacturer of chewing tobacco using similar mark is likely to deceive the public that they are purchasing chewing tobacco manufactured by the former will be a question of fact to be decided on the evidence adduced. The vital element in such a case is the probability of deception. This may depend on a number of matters as well as the question of similarity of the marks or of the getup. Witnesses can be called to prove the circumstance, and the place in which the articles are sold, the classes of persons who buy them and whether they include persons who are illiterate or ignorant or the reverse, the manner in which the public are accustomed to ask for the articles, and any other matters which will assist the court to decide whether deception is probable. Evidence of actual deception may be available, may be very valuable. There is no such person as an expert in human nature and a witness cannot be called to say that it is likely that purchasers of the goods will be deceived. This can only be a matter of opinion formed after the dispute has arisen and too often without any judicial consideration of the opposing contentions.” 51. Shri Devetri very heavily relied upon the decision of the Court of appeal in the matter of Harrods Limited (supra). He emphasized that in the judgment it was specifically mentioned that the word “Harrods” could properly be described as a house-hold name not only in this country but in many parts of the world. Shri Devetri also specifically brought to our notice the following passages on pages 702, 711, 713, 714 and 715 in the said judgment : “The plaintiffs have always been very proud of the name”Harrods“. They claim that it has come to represent an unsurpassed level of quality in the range of goods and services which they provide. But while their range is of astonishing breadth, it would be a mistake to be dazzled into thinking that the range of the plaintiffs commercial activities is virtually unlimited, or that they have acquired a reputation for excellence in every field of activity. They are retail suppliers of good and services of every kind; but that is all. They sell theater tickets; they supply medical equipment; they do not run a hospital; they act as insurance agents; they do not underwrite policies of insurance; they do not run a school.” “It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however, familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff; but the property which is protected by an action for passing off is not the plaintiff’s proprietary right in the name or getup which the defendant has misappropriated but the goodwill and reputation of his business which likely to be harmed by the defendant’s misrepresentation. See *Reddaway v. Banham* (1896 AC 199) per Lord Herschell, *Spalding v. Gamage* ((1915) 32 RPC 273 at page 284) per Lord Parker, *H. P. Bulmer Ltd. and Showerings Ltd. v. J. Bollinger SA and Champagne Lanson Pere et fils* (1978 RPC 79 at pages 93-4) (the Bollinger case) per Buckley LJ.” “It is not in my opinion sufficient to demonstrate that there must be a connection of some kind

between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services". "The common field of activity - there is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression "common field of activity" was coined by Wynn Parry J. in *McCulloch v. May* ((1948) 65 RPC 58), when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* ((1898) 15 RPC 105) (Cameras and bicycles), *Walter v. Ashton* (1902) 2 Ch. 282) (The Times Newspaper and bicycles) and is now discredited. In the *Advocate* case Lord Diplock expressly recognized that an action for passing off would lie although, the plaintiff and the defendant were not competing traders in the same line of business. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of Plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity, but likely confusion among the common customers of the parties. The absence of common field of activity therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion it is an important and highly relevant consideration." "Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* ((1984) RPC 501) Slade LJ said (at page 535) that the farther respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other." Whether the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example a customer who was dissatisfied with the defendant's plastic irrigation equipment may be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation." "Erosion of the distinctiveness of a brand name has been recognized as a form of damage to the goodwill of the business with which the name is connected in a number of cases particularly in Australia and New Zealand; but unless care is taken this could make an unacceptable extension to the tort of passing off. To date the law has not sought to protect the value of the brand name as such, but the value of the goodwill which it generates; and it insists on proof of confusion to justify its intervention. But the erosion of the distinctiveness of a brand name which occurs by reason of its degeneration into common use as a generic term is not necessarily dependent on confusion at all. The danger that if the defendant's product was called champagne then all sparkling wines would eventually come to be called champagne would still exist even if no one was deceived into think-

ing that such wine really was champagne. I have an intellectual difficulty in accepting the concept that the law insists upon the presence of both confusion and damage and yet recognizes as sufficient a head if damage which does not depend on confusion. Counsel for the plaintiffs relied strongly on the possibility of damage of this nature. But it is in my opinion not necessary to consider it further in the present case. There is no danger of "Harrods" becoming a generic term for a retail emporium in the luxury class, and if such a danger existed the use of a different name in connection with an institution of a different kind would not advance the process". 52. Shri Devetri also relied upon the decision of the Chancery Division in the matter of *Fortune & Manson Plc v. Fortnam Limited & others* (1994 FSR 438). In the said case, plaintiff was the well known store in Piccadilly Fortnum and Manson, which alleged passing off against a company incorporated in 1988 and sought interlocutory relief in respect thereof. The defendant admitted that the plaintiff had an outstanding reputation in its name but there was a dispute as to the nature of the trade in which the plaintiff was engaged. The defendant carried on business as an importer of low priced goods from the Far east and the exporter of those goods to Europe. The defendant did not apply its name to the goods themselves and there was no direct connection between the goods and the name. It was held refusing relief : (1) In view of the fact that the plaintiff's trade was in high class retail merchandise in England and the defendant's in cheap wholesale goods abroad, it was most unlikely that any customer of the defendant would buy the defendant's goods in the belief that he was acquiring the goods of the plaintiff. (2) Passing off is a wrong or tort against property. There is no property in a mere name or face. It has to be shown that the complaining plaintiff has property in the form of goodwill which consists of a reputation either in a name under which it trades by providing goods or services to the public or in a getup or appearance which is distinctive of goods supplied by the plaintiff and that such goodwill be imperilled or damaged by the activities of the defendant. That is the essential nature of the tort of passing off. (3) The relevant trade for the purpose of passing off is the plaintiff's trade within the jurisdiction, and not any trade carried on overseas. (4) A distinction between names in a passing off action by a difference in the open ultimate letter is entirely irrelevant in considering similarity. (5) Passing off cases in the end turn upon individual fact, it was important to consider all the circumstances, in particular a comparison between goods in which the plaintiff and the defendant deal and the nature of the trade in order to decide whether there is a real likelihood of deception. 53. Next authority relied upon by Mr. Devetri was the decision of the Court of Appeal in the matter of *Stringfellow and another v. McCain Foods (GB) Ltd.*, (1984 RPC 501) and especially to the following findings : "Even if certain uninformed members of the public mistakenly believed in a connection between the nightclub and chipped potatoes, a court should not readily infer the likelihood of consequential damage to the plaintiffs especially against an innocent defendant in a completely different line of business. The onus in such a case lay on the plaintiff to show that damage to their business reputation was likely to result and that it would cause more than minimal loss." 54. Next reliance was placed on the decision

of the Chancery Division in the matter of Granada Group Limited and others v. Ford Motor Company Ltd. (1973 RPC 49) wherein, the plaintiffs, who were well known for television, theater, cinema and publicity activities conducted under the name GRANADA, sought an interlocutory injunction to restrain the defendants from using that name for a new model of motor car. The plaintiffs contended (a) that the public would associate GRANADA car with the plaintiffs (although not thinking that the plaintiffs made them) and would think that the defendants business was associated or in some way connected with that of the plaintiffs, and (b) that the plaintiffs had a legal right in the commercial exploitation of their name. The defendants case was that in its context the use of the name could not lead to confusion between their cars or business and the goods or business of the plaintiffs and it was held, that the plaintiffs had failed to produce evidence to satisfy the court that, if the word GRANADA was used in its proposed context there was a likelihood of confusion between the defendants goods or business and the goods or business of the plaintiffs. An interlocutory injunction would accordingly be refused. The balance of convenience was in any case against the grant of such an injunction. 55. Shri Devetri heavily relied upon the decision of the Learned Single Judge in the matter of “Sony” decided by Pendse J. and another judgment of the Learned Single Judge in the matter of Alchemy decided by Shirkrishna J, to which a reference has been already made in the foregoing paragraphs of this judgment. 56. Shri Devetri then relied upon the decision of Privy Council in the matter of Cadbury Schweppes Pvt. Ltd. v. The Pub Squash Co. Ltd. (1981 RPC 429), wherein it was held as under : “Where there is no evidence of actual deception the evidence adduced must be of the most cogent character, although where an intention to deceive is found, it is permissible for the court to infer that intention has been or in all probability will be effectual. The court must be on its guard against finding fraud merely because there has been an imitation of another’s goods, getup, method of trading or trading style.” On page 494 it is also held that the relevant date for determining whether a plaintiff has established the necessary goodwill or reputation of his product in law is the date of the commencement of the conduct complained of on the part of the defendants. 57. On the issue of interlocutory relief Shri Devetri relied upon the decision of the Chancery Division in Lyons maid Limited v. Trebor Limited (1967 RPC 222). He especially relied upon the following observations : “But, at any rate on an application for interlocutory relief, it must, I think be incumbent upon the plaintiff to show that the circumstances are such that, unless he is protected by the court pending the trial of the action, there is reason to apprehend that he, the plaintiff, will suffer damage, which he ought not be at risk about, or that there is some reason for maintaining the status quo pending the determination of the issues between the parties. The defendants here say that the evidence does not disclose any prima facie risk of the plaintiffs suffering any damage whatever, because the dissimilarity of the two articles with which I am concerned, on the one hand, the iced lollipop, and on the other hand, the bit of bubble gum, is such that no one will abstain from buying one of the plaintiffs iced lollipop because he buys instead a piece of bubble gum made by the defendants. So that, even if there is

any confusion as to the origin of the two articles and even if, there is any belief on the part of any member of the public that the defendants bubble gum has something to go with the plaintiffs, that will not in any way damage the plaintiffs business in their iced lollipops. There is no evidence that the defendants product is poor quality or that its association with the plaintiff company, if such association in the minds of the public did occur, would damage the plaintiffs company in that kind of way. So that the defendants say that the applicants do not make out any case for interlocutory relief.” 58. On the point of balance of convenience Shri Devetri also relied upon the decision of the Learned Single Judge of the High Court of Karnataka in *Kirloskar Proprietary Ltd. and Others v. Kirloskar Dimensions Pvt. Ltd. and Others* (AIR 1997 Karnataka), wherein even though the Learned Judge held that the plaintiffs have made out prima facie case, in paragraphs 35 and 36, the Learned Judge held as under : “35. As observed by me earlier, the plaintiffs and defendants are not engaged in the common field of activity. The business of the defendant is altogether different from of the business of the plaintiffs as on the date of the filing of the suit. It is also not the case of the defendants that they have taken any steps to start the business which is being carried on by the plaintiffs. 36. In the decision of the Bombay High Court referred to above, the defendants in the said case have not started or commenced their business or trade activities In the case on hand the defendants have already commenced the their business in the year 1990. If the defendants have already commenced and they are carrying on their business it is not appropriate to interrupt their business even before the commencement of the trial in the suit. If the defendants are interrupted in carrying on their business it would cause greater hardship since they would have to again established the said business in the event of their succeeding at the trial.” 59. In support of the submission that the court should be slow in interfering with the discretionary interlocutory order, Shri Devetri relied upon the decision of the Apex Court in *Wander Ltd. and another v. Antox India Pvt. Ltd.* (1990 Suppl. SC Cases 727) He has especially relied upon the observations in paragraph 14 which are as under : The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where discretion has been shown to have been exercised arbitrarily, capricious or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court’s exercise of discretion. After referring to these



principles Gajendragadkar 2J. I. Printer (Mysore) Pvt. Ltd. v. Pothan Joseph (SCR 721). These principles are well established, but as had been observed by viscount Simon in *Charles Osenton & Co. v. Jhanaton*, ... the law as to the reversal by a court of appeal of an order made by a judge below in the exercise of his discretion is well established and any difficulty that arises is due only to the application of well settled principles in an individual case." The appellate judgment does not seem to defer to this principle." 60. On the other hand, Shri Tulzapurkar with very great justification pointed out very peculiar facts of the case and emphasized what the Apex Court in the very *Wander Ltd.* (supra) case has observed in paragraph 19 of the judgment which is as under : "Secondly even if a prior registration of a trade mark is not necessarily evidence or prior user as contended by Shri Rao, Antox cannot, prima facie explain how in a passing off action its under subsequent to June 1986 would prevail over the prima facie finding that Wanger Ltd. was manufacturing calcium Gluconate tablets under the trade mark "Cal-De-Ce" at its own factory in Bombay from August 1983 to June 1986. The Appellate Bench does not dislodge this finding nor does it recognize the crucial effect or prior use by the defendant on the plaintiffs case in a passing off action. It appears to us that it was not an appropriate case where the Appellate Bench could have interfered with the discretion exercised by the learned single judge." 61. Taking into consideration the various cases cited by both sides we are of the opinion that the crux of the passing off action lies in actual or possible or probable deception. The plaintiff necessarily has to establish reputation and goodwill. In quia timet action he must also show the probability of the plaintiffs suffering damage either in trade or to his goodwill and reputation. Deception may be of several kinds, i.e. that the public may think that the goods manufactured by the defendants are in fact manufactured by the plaintiffs or that there is some trade connection or association of the defendants with the plaintiffs. It is also clear that the transborder reputation has been recognized by the Indian Courts and as a matter of law it is not necessary to prove the actual sale, if by other material, presence of the plaintiffs in India and goodwill and reputation in India is demonstrated. It is also clear to us that as a matter of law the "common field of activity" is not required to be established. However, as the crux of passing off action lies in possible deception, the existence of common field of activity is always relevant consideration. If there is common field of activity, possibility of deception is very high and if there is common field of activity possibility may be less, but it cannot be laid down as a rule of law that there can be no possibility at all. Thirdly and more importantly, all these issues ultimately will depend on the facts and circumstances and the material on record of each particular case, as to whether the plaintiff has established the goodwill or reputation, whether the plaintiff has established the transborder reputation, whether the defendant has caused misrepresentation innocently or deliberately and whether the plaintiff has suffered damage or is likely to suffer damage in quia timet action. These will be questions of fact to be determined by the court. It is also clear that if it is shown that the defendant intended to deceive, the burden would be much lighter on the part of the plaintiff. The existence of unexpected and unexplained similarities between

the goods of the defendant and the plaintiff or lack of explanation or false explanation for adoption of name by the defendant, may be extremely relevant. 62. We will first deal with the contentions of the defendants that the interim relief should not be granted as there is gross delay and in any case the plaintiffs have acquiesced in the defendants action. We must first record that on the basis of the material on record, we do not find any justification to hold that the action of the plaintiffs in instituting the suit is mollified action in that it is an action to blackmail the plaintiffs. Shri Devetri contended that the defendant company, i.e. Volvo Steels Limited had been incorporated in the year 1990 and they commenced production in the year 1991. In the year 1993 it was incorporated as a public limited company. On 7-3-1995 a public issue was opened. The issue was closed on 10-3-1995. As such the suit filed on 16-3-1995 is delayed. Shri Devetri also submitted that there was in existence a company by name Volvo Terry Limited whose shares were regularly traded on the Bombay Stock Exchange from the year 1992 to August 1993, which the plaintiffs ought to have noticed and inasmuch as the plaintiffs did not take action, the defendants were justified in presuming that the plaintiffs do not claim any proprietary right in goodwill and reputation in the name "Volvo". In other words the plaintiffs have acquiesced. We are not impressed by this argument that the plaintiffs action is delayed on the hypothesis that the plaintiffs had knowledge of the use of the word "Volvo" by the defendants. The record shows that the plaintiffs came to know about the same for the first time when they received a letter dated 7-3-1995 along with the prospectus of the defendant company and the advertisement, from ANZ Grindlays Bank. We find no reason not to accept this assertion and as such we do not find that there is any delay in filing the suit. 63. So far as the point of acquiescence is concerned, we do not find any material on record to hold against the plaintiffs. There is no material to show that the plaintiffs in any way encouraged or deliberately and knowingly permitted the defendants to use the name Volvo. Looking to the status and reputation of the plaintiffs to which we will make a reference hereinafter we do not consider it probable at all that despite knowledge the plaintiffs allowed the defendants to use the name right from 1990. On the contrary the moment the plaintiffs came to know about the use of name Volvo by the defendants they have immediately moved the court. On the basis of the legal position in this behalf as enunciated by the case cited and referred to by us, we are of the opinion that the plaintiffs cannot be declined the reliefs on the alleged ground of delay or acquiescence. 64. So far as the reputation and goodwill of the plaintiffs is concerned, Shri Tulzapurkar pointed out from the plaintiff's annual report of 1993 that the sales of the plaintiff's company in the year 1991 were 77,223 S.E.K. Millions, which rose to 83,002 in 1992 and 1,11,155 in 1993. However, Shri Devetri from the same report pointed out that in the speech of the President and the Chief Executive Officer, it is clear that the resources Volvo possesses have to be directed toward their core businesses. The automotive operations must have their full attention. He also pointed out that in the very speech it has been mentioned that Volvo today has an impressive product program that has attracted a great deal of attention and has produced marketing successes. They are less dependent than other European car makers

on the continuing weak market in Europe. Shri Tulzapurkar also pointed out that Volvo groups total assets increased by SEK 17.5 billion to SEK 134.5 billion, during 1993. At pages 368 to 385 of the appeal paper book registrations of volvo as trade mark in 138 countries throughout the world are mentioned. At page 236 of the appeal paper book several companies are mentioned which are either wholly owned or group contributed companies or major owned companies by A. B. Volvo. These companies are in different parts of the world like USA, Belgium, France, Norway, Singapore, Hong Kong, Mexico, Sweden, Germany, Spain, Italy, London, Scotland, Denmark, Ireland, Brazil, Thailand, south Korea, Canada, Netherlands, Turkey etc. Shri Tulzapurkar also pointed out that the material on record shows that the plaintiffs have been advertising Volvo cars on the Star T.V. network. Shri Devetri pointed out that material shows that it was only in respect of cars and that too in the year 1994. Shri Tulzapurkar further pointed out that Volvo has been advertising itself through international magazines. In that behalf Shri Tulzapurkar pointed that in Times article entitled "Boom for the pleasure packages" was published on 10-6-1989. Article entitled, "Duch Volvo Sees Net Rise on New Model" was published in Asian Wall Street Journal on 2-12-1986. Article entitled "Volvo buys out Leyland But" was published in Financial Times of 31-3-1988 as also an article entitled 'O Milagre economicoda volvo' in Portuguese with English translation was published in Readers Digest in 1985. He also pointed out an article entitled 'We can love the Earth' in Times, was also published on 15-11-1989. Similarly an article entitled 'Marriage of Convenience' was published on 5-3-1990 in Newsweek. 65. The most important material on which Shri Tulzapurkar led emphasis was publication entitled 'Brands' which is an international review by Interbrand which was first published in 1990 and reprinted in 1991. It is stated on the cover note that the concept of the brand started to grow in importance about a century ago. Indeed, many of today's greatest brands, among them Kodak and Coco-Cola, date from this period and branding is now of central importance to producers to differentiate their products or services around the world. Brands are, for many companies, the engines of growth and profitability and by far their most valuable assets. The book is about the growth and development of the world's most successful brands, how they started, and where they are today. The book describes, on a brand by brand basis, what makes each brand powerful and how each brand is differentiated from others. The scope of the book is international including brands which have power worldwide like Kellogg's and brand which operate mainly on a local basis like Snow Brand in Japan and Vegemite in Australia. It is expressly stated that only the world's leading brands have been represented here. They have been selected by Interbrand Group plc., the world's leading branding consultancy. Its selection of leading brands has been culled from an initial working list of over 500 brands which incorporate those key characteristics that, in the view of Ierbrand, constitute brand strength. These factors include leadership, stability, trend and support, as well as the markets in which the brand operates. Interbrand's selection focuses on brands with strong and distinctive brand personalities and favours free-standing product brands rather than more generalised corporate brands. A reference to 'Volvo' is found

on page 101 of the book and this is what is written about Volvo : “Volvo was founded in Sweden in the 1920s and the Volvo Group now has a worldwide turnover of some F10 billion. The word ‘Volvo’ means in Latin, ‘I roll’ and this distinctive trade mark was originally given to the fledgling car company by SKF, the Swedish bearing manufacturer, who had registered the name some years before but no longer needed it. Volvo reserves the brand name exclusively for its automotive products and has resolutely refused to allow third party licensing even for gift and novelty items as it is concerned that any dilution or misuse of the name may fundamentally damage its most valuable asset. In the luxury passenger cars sector of the automotive market, Volvo has a highly distinctive brand positioning with particular qualities of fine engineering, reliability, family values and care for the environment, all in a relatively wholesome Scandinavian context. Most recently Volvo has formed an alliance with Renault to create a firm foundation for technical cooperation. The Volvo and Renault marks will, however, be kept entirely separate and no dilution of the brand identities will be allowed. It is also specifically mentioned that Volvo ranks alongside Kodak and Exxon in terms of hold. abstract branding and, like them, has benefited from being able to build a clear differentiated image. 66. Shri Tulzapurkar also pointed out that the company has been sponsoring sport activities on a large scale i.e. Davis Cup in Tennis, Equestrian Volvo World Cup, Golf, Motoring and Skisport and that the Davis Cup in Tennis in India was also sponsored by the company in the month of March 1986. 67. In our opinion the aforesaid material clearly shows that the Volvo brand name has acquired very large reputation and goodwill throughout the world. 68. The question is whether the aforesaid reputation and goodwill has reached India. In other words whether the plaintiffs are in a position to show its presence in India. Apart from the international magazines to which we have made a reference and which have circulation in India, Shri Tulzapurkar relied upon the affidavits filed on behalf of the plaintiffs. Affidavit of one Kamalkant Chotalal Joshi of Bombay states that he has come across the name Volvo advertised in various international magazines and newspapers such as the Business Week and the Times magazine; that the name Volvo is well known in India and relates to a sturdy set of cars and trucks manufactured by the group of companies established in Sweden called A.B. Volvo. Similar affidavit of one Lalit Maneklal Shah is on record. Of course such an opinion/evidence of individuals may not be of much weight. In the affidavit of Vikram Singh the Constituted Attorney of the Plaintiffs, a reference is made to certain documents and the documents are annexed at Exhibit. B1 to B5. Exhibit N1 is a certificate of inspection dated 13-6-1974 by India Supply Mission, London, the consignee being the Commandant, Central Ordnance Depot, Jabalpur as supplied by the plaintiffs for out-board motors which were 133 in number. Exhibit B2 is an invoice No. I-LK 82644, dt. 20-12-1974 the consignee being the Commandant, Embarkation headquarters, Colaba, Bombay as supplied by Plaintiffs for 267 crates of Outboard motors. Exhibit B3 is a letter dated 17-4-1974 addressed to the Orissa University of Agriculture and Technology, by the plaintiff’s company. Exhibit B4 is a letter dated 17-1-1974 addressed to Pearey Lal & Sons (East Punjab) private Ltd., Janpath, Delhi by

the plaintiffs company regarding details or representation. Exhibit B5 are the extracts from an agency agreement between the plaintiffs company and Scanind Pvt. Ltd., New Delhi dt. 19-3-1978. The affidavit also makes a reference to a concessionaire contract between the plaintiffs and Hyder (India) Pvt. Ltd. of Kodak India for the Volvo Penta Industrial Engines accessories and spare parts dated 24-3-1970. 69. Shri Tulzapurkar also pointed out that the plaintiffs have registered the trade mark 'Volvo' in Class VII under the Trade and Merchandise Marks Act in Bombay in respect of marine engines, aircraft engines for industrial, agricultural and forestry machines, stationary combustion engines and parts and fittings included in class 7 for all the aforesaid engines, turbines and electric motors, none being for land vehicles, electric generators, converters for liquid fuels, injectors, vaporizers, ignition devices and parts thereof all included in class 7, sparking plugs, silencers, spark arrestors for combustion engines, bearings, shifts, shift scales, gear wheels etc. in the year 1982 as of 10-9-1975. The plaintiffs have also registered 'Volvo' in Bombay under the Trade and Merchandise Marks Act 1958 in class XII on 26-11-1986 as on 15-5-1980 in respect of land vehicles and parts thereof included in Class XII. Shri Tulzapurkar also pointed out that in respect of Volvo Cars, there have been advertisements on Star TV between 18th October and 1st November, 1994. 70. In our opinion the aforesaid material does indicate that Volvo has shown its presence in India and although Shri Devetri may be right in his submission that it cannot be stated that Volvo has become household name, we are of the opinion that the aforesaid material prima facie shows that Volvo is recognised as one of the distinctive brands and that it has very large reputation and goodwill throughout the world and the plaintiffs have been successful to show prima facie its presence in India. 71. Shri Devetri submitted that the reputation and goodwill of the plaintiffs is confined to cars, trucks and automotive industry and as the defendants are manufacturers of mild steel ingots which is an intermediary product used by rolling mills in manufacture of torsteel, there is absolutely no connection between the plaintiffs products and the defendants products. Shri Tulzapurkar on the other hand contended that the plaintiffs products also include automobiles, construction equipment and steel and defendants although are manufacturing at present mild steel ingots, the prospectus issued by the defendants show that the activities would include steel, automobiles, and construction equipments. The prospectus also makes a reference to steel for bus bodies, automobiles and heavy machineries and to manufacture of all kinds of goods of iron, steel and other metals and alloys such as machineries, machine parts, tools and implements of all kinds, particularly to manufacture, buy and sell and deal in components, tools, spare parts, accessories and equipment required by engineering, automobile industries. Shri Tulzapurkar, therefore, submitted that assuming there may not be common field of activity there is some overlapping. 72. If this was the only material, then possibly we may not have been inclined to interfere with the impugned order. However, as stated earlier, the crux of passing off lies in actual or probable deception or misrepresentation. Misrepresentation may be of several kinds and one of them may be suggesting that the defendants have some association or trade connection with the plaintiffs, and on this aspect in

out opinion the question whether 'Volvo' is a descriptive word or distinctive or fancy word as also the reasons and explanation of the defendants for adoption of word 'Volvo' assume great importance. 73. Undoubtedly word 'Volvo' is a Latin word meaning thereby 'rerolling', 'to roll up', to 'to roll together' and 'form by rolling'. However, it is required to be appreciated that hardly any one in India knows Latin and it is extremely improbable that anybody would translate the word 'Volvo' when one hears or reads the same. Latin being almost a dead and obscure language hardly anybody in India knows Latin. The word 'Volvo' for average Indian would not mean anything and would not be a descriptive word. On the other hand, we find great substance in the submission of Shri Tulzapurkar that the word 'Volvo' is invented and a fancy word. 74. However, what assumes significance in this case is the explanation and the reasons given by the defendants for adopting the word 'Volvo'. In the affidavit of Shri Suleman A. Kalaniya, on behalf of the defendants, he has stated that 'Volvo' is a Latin word which means 'to cause to revolve', roll, turn about, and turn around. It is further stated that in its different connotation the word would also mean to roll up, roll together, form by rolling. It is then asserted that as the products of the defendants were meant ultimately for the process of 'rolling' the name 'Volvo' was chosen and approved by the Registrar of Companies of Gujarat. It is also mentioned that the products are sold to rolling mills which manufacture torsteel. To our mind we find it difficult to confirm the finding of the learned Judge that this is a plausible explanation. The defendants product itself has nothing to do with the "rolling" the defendant's explanation for adopting the word 'Volvo' appears to us far fetched and unacceptable on the face of it. Even prima facie it appears that the defendants have chosen the word "Volvo" only to trade on the plaintiffs' reputation and goodwill. This is fortified by the further conduct of the defendants. Their advertisement at Exhibit-L on page 426 of the paper book, which shows that "Volvo Group" is actively involved in the field of food processing, rubber products, cement, plastics, acrylic yarn, ship breaking and iron and steel. From Asia's largest ship breaking yard in Alang, MS scrap is converted into stainless steel and now with the expansion project in Volvo steels, scrap will be turned into, Volvo added hot rolled products of Stainless and Alloy Steel. It is an opportunity to profit from the fast growing "Volvo group". There is also in bold type a slogan in the said advertisement to the effect "Building on the strength of the Volvo Group". Shri Tulzapurkar submitted that such advertisement is clear conduct on the part of the defendants to fraudulently derive undue advantage and to project itself as an offshoot or branch or agency or having some connection or association with the plaintiffs Volvo Group with a view to benefit and trade upon the plaintiffs goodwill and reputation. It is extremely relevant to notice that apart from Volvo Steels Ltd. No other concerns of the promoters of the defendants company have the name "Volvo". All other concerns are as under : 1. Chhatariya Dehydrates Private Ltd. 2. Chhatariya Rubber & Chemical Ind. 3. Vikas Shipping Corporation. 4. Sandip Cements Pvt. Ltd. 5. Gujarat Pickers Ind. 6. Mahuva Plastic Ind. 7. Associated Industries 8. Q.M. Woollen Mill It is also relevant to notice that the record does not show that these companies/ firms or groups have earlier

referred to themselves as ‘Volvo Group’. In this behalf the claim of the defendants is that the defendant promoters consist of family members of Chhatariya, Makwana, and Kalaniya families which are all Gujarat-based. Each of the said families is engaged in several industries and these families are referred to as “Volvo Group”. The background of the names of the defendants appears to be dishonest and exposes the fraudulent intention of the defendants in advertising and representing themselves as part of the “Volvo Group”. It is extremely relevant to notice that excepting the say-so of one of the promoters of the defendants there is absolutely no material on record to suggest that these families are known to the members of the public as “Volvo Group”. 75. The order of the learned Judge does indicate that the existence of common field of activity has been held by learned Judge as an essential feature as a matter of law in a passing off action, which in our opinion is not a correct statement of law. On the basis of the material on record to which we have made a reference, it is not possible for us to accept the finding of the learned Single Judge that the plaintiffs have not prima facie shown that they enjoyed transborder reputation. It is also not possible to accept the learned judge’s finding that the plaintiffs have not shown prima facie that the acts of the defendants amount to misrepresentation. It is also not possible to accept the finding of the learned Judge that neither the mark “Volvo” is a fancy name nor it can be said that it is associated with the defendants name without any object, the object being to denote the nature of activities of the defendants or that the explanation given by the defendants for adopting the word “Volvo” as part of their name, is plausible. No doubt the project of the plaintiffs and the defendants are not similar, but as indicated above, there is some overlapping between the field of activity of the plaintiffs and the defendants. As we have not accepted the explanation of the defendants for adopting the word “Volvo”, and as we have found prima facie that the intention of the defendants as indicated by their assertions as belonging to “Volvo Group” is only to trade on the reputation and goodwill of the plaintiffs, we are of the opinion that the plaintiffs have made out a very strong prima facie case for issuance of injunction. 76. So far as the balance of convenience is concerned, in our opinion the plaintiffs have shown that they enjoy a very wide and large goodwill and reputation qua the brand name “Volvo” almost throughout the world. As a matter of fact the affidavit filed in this appeal as an additional evidence shows that in the month of February 1996 Foreign Investment Promotion Board has granted permission to Volvo Truck Corporation a company forming part of the Volvo Group of Companies to invest and acquire 100% shareholding in an Indian company. Accordingly on 31-10-1996 the Volvo India Pvt. Ltd. was incorporated for the purpose of carrying on business stated in its Memorandum of Association. In addition to that five companies were incorporated in India which are 100% subsidiaries of the Volvo Group of Companies i.e. Volvo Bud India Pvt. Ltd. Volvo Penta India Pvt. Ltd. Volvo Construction Equipment India Pvt. Ltd. Volvo Truck India Pvt. Ltd. Volvo Car India Pvt. Ltd. The Volvo India Pvt. Ltd. has signed the Memorandum of understanding with the State of Karnataka for the manufacture of heavy duty state of the art trucks in India. Volvo India Pvt. Ltd. (VIPL) has also entered into an agreement dated

22-1-1997 with the Karnataka Industrial Area Development Board for acquiring a plot of land admeasuring 125 acres for construction of their factory near Bangalore. VIPL proposes to bring out its first truck on the road in or about the first half of 1998. It is also mentioned that the plaintiffs came to know about the existence of the Volvo Terry Industries Ltd. from Ahmedabad after reading the affidavit in reply of the defendants and in fact after serving the notice on Volvo Terry Industries Ltd. They have filed the suit No. 4528 of 1995 in the City Civil Court at Ahmedabad against Volvo Terry Industries on 7-11-1995. There is also another company by name Volvo Finance Ltd. and upon application of the plaintiffs the said company has also been made a party defendant to the aforesaid suit. 77. We are conscious that all these developments are subsequent and for the interim reliefs we will have to take into consideration the circumstance obtainable when the plaintiffs moved the court for the first time and also the date on which the defendants commenced the action complained of i.e. adoption of the word 'Volvo' which was in the year 1990. However, these further developments coupled with the factors of the plaintiffs presence in India to which we have already made a reference make it clear that the plaintiffs always intended to enter into Indian Market. As a matter of fact, if once we come to the prima facie conclusion that the defendants are guilty of dishonestly adopting the brand name 'Volvo' there is no question of considering any balance of convenience in favour of the defendants. The plaintiffs have made out a strong case for protection against dilution of their brand name 'VOLVO'. Even if the defendants are required to change their name at this juncture as they had commenced business only in 1990, we are of the opinion that they are not likely to suffer much and even if they suffer some inconvenience in the event of the failure of the plaintiffs in the suit, defendants can be adequately compensated in terms of money. Same thing cannot be said in respect of the damage which is likely to be suffered by the plaintiffs by way of dilution or debasement of their brand name 'Volvo' and as such in our opinion the balance of convenience is in favour of the plaintiffs. 78. In the result appeal succeeds. The order of the Learned Single Judge dismissing the notice of motion with cost is set aside and instead we grant the aforesaid notice of motion in terms of prayer clauses (a) and (b). We are also of the opinion that in the facts and circumstances of the case the defendants must be granted sufficient time to comply with the said injunction and accordingly we direct that the said injunction will be operative from 1st April, 1998. 79. Appeal allowed in the aforesaid terms. There shall be no order as to costs.