

**(2013) 07 DEL CK 0084**

**Delhi High Court**

**Case No:** I.A. No"s. 1204 and 4318 of 2012 in CS (OS) No"s. 156 and 575 of 2012

Eaton Corporation and Another

APPELLANT

Vs

BCH Electric Limited <BR> BCH  
Electric Limited Vs Eaton  
Corporation and Another

RESPONDENT

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**Date of Decision:** July 1, 2013

**Acts Referred:**

- Civil Procedure Code, 1908 (CPC) - Order 39 Rule 1, Order 39 Rule 2, 151
- Trade and Merchandise Marks Act, 1958 - Section 48
- Trade Marks Act, 1999 - Section 142, 28, 29

**Citation:** (2013) 201 DLT 612 : (2013) 55 PTC 417

**Hon'ble Judges:** Manmohan Singh, J

**Bench:** Single Bench

**Advocate:** Sudhir Chandra, Ms. Navneet Momi, Mr. Amit Kumar and Ms. Neha Gupta, in I.A. No. 1204/2012 in CSOS No. 156/2012, Mr. Sandeep Sethi, Mr. C.A. Brijesh, Ms. Maidini Phul, Ms. V. Mohini and Mr. P. Kalra, in I.A. No. 4318/2012 in CSOS No. 575/2012, for the Appellant; Sandeep Sethi, Sr.Adv., Mr. C.A. Brijesh, Ms. Maidini Phul, Ms. V. Mohini and Mr. P. Kalra, in I.A. No. 1204/2012 in CS(OS) No. 156/2012, Mr. Sudhir Chandra Ms. Navneet Momi, Amit Kumar and Ms. Neha Gupta, in I.A. No. 4318/2012 in CS(OS) No. 575/2012, for the Respondent

**Final Decision:** Disposed Off

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**Judgement**

Manmohan Singh, J.

By this order, I shall dispose of two applications under Order XXXIX, Rules 1 & 2, read with Section 151 CPC; first being I.A. No. 1204/2012 filed by the plaintiffs, Eaton Corporation & Another in CS(OS) No. 156/2012, and second being I.A. No. 4318/2012 filed by the defendant BCH Electric Ltd. in its suit being CS(OS) No. 575/2012. Both the applications are being decided by common order. In the order, Eaton Corporation & Another would be referred as "Plaintiffs" and BCH Electric Limited

would be referred as "Defendant". The case of the plaintiffs is that plaintiff No. 1, M/s. Eaton Corporation is a company organized and existing under the laws of United States of America. The plaintiff No. 2, Eaton Power Quality Pvt. Ltd., New Delhi is the subsidiary of plaintiff No. 1.

2. The plaintiff No. 1 (the expression whereof shall include its predecessors-in-interest and title) are engaged in the business of the manufacture and sale of "electric apparatus for use in operating machines, engines and motor by current control and electrical supplies, consisting of; controllers for dynamoelectric machines to wit; starting, stopping, reversing, and speed regulating apparatus for motors, and voltage and current regulating apparatus for generators and like control apparatus for rotary convertors; current breakers; magnetic brakes for various types of machines; lifting and separating magnets and controls therefor; solenoids; electric panel boards and other goods included in Class 9.

3. It is alleged in the plaint that the plaintiff No. 1 founded in 1911 and incorporated in Ohio in 1916 is a well known premier diversified fortune 200 industrial company having a manufacturing presence in Australia, Brazil, Canada, China, Costa Rica, Czech Republic, Dominican Republic, France, Germany, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, Monaco, Netherlands, Poland, Puerto Rico, Singapore, South Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, United Kingdom and United States of America and has been selling their products under various well known trademarks. It is a global corporate being into business for more than 100 years, employing approximately 73,000 employees worldwide and selling its products to customers in more than 150 countries. During the year 2010, their market value is estimated to be \$19.92 billion USD approx.

4. It is also alleged that the plaintiff No. 1 mainly deals in four distinct industrial segments namely Electrical, Fluid Power, Truck and Automotive wherein they are considered to be the global leaders. Plaintiffs deals in the designs, manufacture, marketing and serving of electrical systems and components for power quality, distribution and control; fluid power systems and services for industrial, mobile and aircraft equipment; intelligent truck drive train systems for safety and fuel economy; and automotive engine air management systems, power train solutions and specialty controls for performance, fuel economy and safety.

5. The trade mark "CUTLER-HAMMER" was first adopted by Cutler-Hammer Inc., predecessor-in-interest and title of plaintiff No. 1 in the year 1893 in respect of electric apparatus for use in operating machines and goods mentioned above.

6. The plaintiffs' contention is that the predecessor-in-title of Cutler-Hammer Inc. first shipped the goods included in Class 9 under trademark "CUTLER-HAMMER" to India in the year 1919. Since that time, the plaintiff's predecessor-in-interest and title and then plaintiffs have continued to use the said trademark in respect of goods of its manufacture and sale so much so that the plaintiffs' trademark

"CUTLER-HAMMER" have come about to be exclusively identified and recognized by the purchasing public and the members of the trade with the goods of the plaintiffs and none else.

The trade mark "CH" was first adopted by Cutler-Hammer Inc., predecessor-in-interest and title of plaintiff No. 1 in the year 1954 in India in respect of goods falling in Class 9 and has been used in India initially by the plaintiffs' predecessor-in-interest and title and then by plaintiffs from several years.

7. Plaintiffs' trademarks "CUTLER-HAMMER", "CH Control" and "CH (label)" are being used in several countries in the world. The list of countries in which products bearing the trademark "CUTLER-HAMMER", "CH Control" and "CH (label)" has been filed.

8. Plaintiffs' trademarks "CUTLER-HAMMER", "CH Control" and "CH (label)" are also the subject matter of numerous registrations in number of countries of the world covering variety of goods falling in international Class 9. Copies of a sample of some of the registration certificates have been filed on record.

9. The registration of the trademark "CUTLER-HAMMER" under No. 164435 was applied by Cutler-Hammer Inc. on 8th June, 1954 as per the provisions of the Trade and Merchandise Marks Act, 1958 in India. Plaintiff No. 1 acquired the company Cutler-Hammer Inc. in the year 1978 whereby request on Form-24 dated 28th November, 1979 was filed. Pursuant to request on Form-24 and order dated 23rd January, 1980, plaintiff No. 1 was registered as subsequent proprietor by virtue of Certificate of Merger.

10. The plaintiff No. 1 also registered the trade mark(s) "CH (label)", "CH Control" and "CH" in respect of electric goods included in Class 9 under the provisions of Trade and Merchandise Marks Act, 1958 in India. The details of these trademarks are as follows:

11. The registration of the abovementioned trademark "CUTTER-HAMMER" under No. 164435 confers an exclusive right on the plaintiffs to the use of the said trademarks u/s 28 of the Trade Marks Act, 1999. The use of any mark which may be identical and/or deceptively similar thereto in respect of the same or similar description of goods or service constitute an act of infringement u/s 29 of the Trade Marks Act, 1999 as well as passing off.

12. The contention of the plaintiffs is that trademarks "CUTLER-HAMMER", "CH Control" and "CH (label)" enjoys wide reputation, recognition and popularity in the Indian and world market for high quality of products sold under it. These trademarks have created its own identity in the market and have immensely contributed in generation of goodwill so much so that it has acquired the trans-border reputation which has spilled over to India.

13. The defendant, BCH Electric Limited having its office at 1101, New Delhi House, 27-Barakhamba Road, New Delhi-110 001 also at, Block 1E216, AJC Bose Road, Kolkata-700017 and 20/4, Mathura Road Faridabad-121 006, Haryana is also engaged in the business of manufacture and sale of electric goods falling in Class 9.

14. The defendant (the expression whereof shall include its predecessor-in-interest and title) was set up in the year 1965 as a result of the joint venture between the plaintiffs" predecessor-in-interest and title, Cutler-Hammer Inc. and some Indian partners in the name of CUTLER-HAMMER INDIA LIMITED. The name of defendant Company was later changed to Bhartia Cutler-Hammer Ltd. In the year 1995, it was renamed as Bhartia Industries Limited. With effect from 25th October, 2007, the name was again changed to BCH Electric Limited, the present defendant herein.

15. From the year of its incorporation, defendant entered into various agreements with plaintiffs" predecessor-in-interest and title, Cutler-Hammer Inc. to flourish Cutler-Hammer Inc."s business in India. These agreement included "Sales Agreement" and "License and Technical Service Agreement" dated 3rd June, 1974 whereby defendant has accepted the ownership of the Cutler-Hammer Inc. over the trademarks/trade names and further agreed to not to do anything which will impair Cutler-Hammer Inc."s ownership over these trademarks/trade names.

16. In the year 1979, Cutler-Hammer Inc. entered into trading name agreement with Bhartia Cutler-Hammer Limited (now defendant) whereby defendant was granted the right to use the words CUTLER-HAMMER as part of the corporate title by Cutler-Hammer Inc. The said agreement allowed defendant to use the words "Cutler-Hammer" as part of their corporate title in a limited way/manner and in connection with goods manufactured under the license from Cutler-Hammer Inc. The agreement specifically mentions that Cutler-Hammer Inc. is the owner of the words

"CUTLER-HAMMER" when used as a registered or unregistered trademark, corporate title or trading style in the field of activity in which parties are engaged.

17. On 19th February, 1979, a registered user agreement was executed between Bhartia Cutler-Hammer Limited (now defendant) and Cutler-Hammer Inc. whereby defendant was granted non-exclusive right to use the following registered trademarks:

◆ Trademark "C-H Monogram Border" under No. 164434.

◆ Trademark "CUTLER-HAMMER" under No. 164435.

◆ Trademark "CH Control" under No. 205632.

18. Defendant was allowed to use the trademark "CUTLER-HAMMER" under No. 164435 in conjunction with the word Bhartia. Whereas the other two trademarks were allowed to be used along with the legend "Made in India by Bhartia

Cutler-Hammer Limited, a wholly Indian owned Licensee of Cutler-Hammer, Inc. U.S.A.

19. In the User Agreement, defendant acknowledged and admitted the Cutler-Hammer Inc.'s title and proprietorship in the trademarks "CUTLER-HAMMER, CH & CH Control". The agreement clearly mentions in clause 7 that:

User recognizes the Trade Mark Owner's title to the said trade Marks and shall not at any time do or suffer to be done any act or thing which will in any way impair the rights of the Trade Mark Owner in or to said Trade Marks. It is understood that User shall not acquire and shall not claim any title to the said trademarks by virtue of the license granted to user or through user's use of the said trademarks, it being the intention of the parties that all use of said Trade Marks by user shall at all times inure to the benefit of the Trade Mark Owner.

The duration of the abovementioned agreement was for seven years which had expired in the year 1986.

20. The plaintiffs have set up their case against the defendant by making various allegations that the defendant is deliberately, fraudulently and with malafide intentions of trading upon the reputation and goodwill attached to plaintiff's trademark CUTLER-HAMMER, CH Control & CH (label), is using it without obtaining any consent, permission or valid license.

The dishonest and malafide intentions of defendant are apparent from the fact that despite being aware of the reputation of plaintiff's trademark "CH (label)" worldwide including India and proprietorship of plaintiff No. 1 over the trademark "CH Control" under No. 205632 in Class 9 since 3rd November, 1975 in accordance with the provisions of Trade and Merchandise Marks Act, 1958 and having admitted rights of plaintiff No. 1 in the Registered User Agreement, defendant applied for registration of the identical/deceptively similar trademark under No. 582999 in Class 9 in the year 1992 and obtained registration thereof by playing fraud on the registry and making false claim of proprietorship and user thereof.

21. It is alleged in the plaint that the defendant taking advantage of this situation filed an application under No. 582999 for registration of the trademark "CH Control" through the same service provider. The defendant has obtained the registration of the said mark wrongfully and in bad faith by committing fraud over the Registry.

22. It is also alleged against the defendant that by committing fraud, defendant applied for registration of the identical/deceptively similar trademark "CUTLER-HAMMER (Device)" under No. 1189782 in Class 9 in the year 2003. The plaintiff No. 1 filed notice of opposition opposing registration of the impugned mark subject matter of Application No. 1189782 on/or around 23rd June 2004 with the Registrar of Trade Marks at New Delhi. The said opposition proceedings initiated by the plaintiffs are pending.

23. In the year 2007, defendant made another attempt to register identical and/or deceptively similar trademark "BHARTIA CUTLER-HAMMER (Label)" under application No. 1562940 in Class 9 and the same is pending as objected by the plaintiffs.

24. It is submitted that defendant was aware of the reputation and proprietorship of plaintiff No. 1 over trademarks "CUTLER-HAMMER", "CH Control" and "CH" in respect of the goods of its manufacture and sale prior to its incorporation and has adopted and used the identical and/or deceptively similar trademarks with dishonest and malafide intentions to trade upon the reputation and goodwill of plaintiffs and to earn profits in an illegal manner. By committing such acts, defendant has not only infringed plaintiff's proprietary rights vested in their registered trademark "CUTLER-HAMMER" and other abovementioned trademarks but also committed acts of passing off their inferior quality goods and business as and for the quality products and business of plaintiff. The defendant has no plausible reason to choose identical/deceptively similar marks CUTLER-HAMMER, BHARTIA CUTLER-HAMMER, CH (logo) and/or CH Control as a trade mark for their products.

25. The defendant's products are bound to be falsely associated being part of range of products of the plaintiff. The use of identical and/or deceptively similar trademarks CUTLER-HAMMER, BHARTIA CUTLER-HAMMER, CH (logo) and/or CH Control on the part of the defendant is unlawful and constitutes violation of the plaintiff's rights as are protected under the provision of Section 29 of the Trade Marks Act, 1999 and under the common law.

26. On 19th December, 2011, plaintiffs published a caution notice announcing their statutory rights over the trademark "CUTLER-HAMMER" in Class 9 since the year 1954. In response to the caution notice, the defendant through their counsel sent a reply to the caution notice via email and registered post on 22nd December, 2011. By way of the said reply, defendant claimed proprietary rights in the trademark BHARTIA CUTLER-HAMMER and CH Control. By way of the said reply; plaintiff came to know that defendant has also applied for registration of trademark "BHARTIA CUTLER-HAMMER" under No. 1562940 in Class 9. It was revealed by the plaintiffs from the website of Registrar of Trademarks about the filing of application for registrations of the same very trademarks which were earlier used by the defendant under permissive use of the trademarks belonging to the plaintiffs.

27. The plaintiffs, thereafter, have filed the suit for permanent injunction restraining infringement of trademarks, passing of, unfair competition and renditions of accounts and damages against the defendant. Along with suit, the plaintiffs also filed an application being I.A. No. 1204/2012 under Order XXXIX, Rules 1 & 2 CPC for grant of interim injunction against the defendant from using the trade marks CUTLER-HAMMER and CH in any manner by the defendant by passing off their goods as that of the plaintiffs. The abovementioned suit was filed in the month of January, 2012. The defendant filed its written statement and reply in the month of February, 2012.

28. The defendant also filed suit against the plaintiffs being CS(OS) No. 575/2012 in the month of March, 2012 along with interim application being I.A. No. 4318/2012 seeking injunction against the plaintiffs for issuance of groundless threats to the dealers of the defendants.

29. Both sides have made their submissions in their respective interim applications. As the facts in both matters are common, therefore, by this common order, the pending two interim applications are being decided by the single order.

30. Various defences have been raised by the defendant in its written statement and reply to the interim application filed by the plaintiffs. Mr. Sandeep Sethi, learned Senior counsel appearing on behalf of defendant has made his submission that no case of infringement of trademarks has been made out by the plaintiffs against his client as plaintiff No. 1 has not acquired any rights in the mark CUTLER-HAMMER under No. 164435 which was in the name of Cutler-Hammer, Inc. The said registration is not valid. The defendant's application for rectification/removal/cancellation of the mark is pending with the Trade Marks Registry. The trade mark CUTLER-HAMMER is not being used by plaintiffs in India; abandoned by plaintiffs and, therefore, no goodwill/reputation vests in the said marks in favour of plaintiffs. The trade mark CUTLER-HAMMER is associated in India with defendant and its products/business.

The trade mark

(CH being the abbreviation of CUTLER-HAMMER) is registered under No. 582999 in Class 9 in the name of defendant since the year 1992. Therefore, the plaintiffs have failed to establish even prima facie case of infringement of trademarks.

31. The second submission of Mr. Sethi is that the plaintiffs have also failed to make out any case of passing off as the plaintiffs are not using the marks CUTLER-HAMMER,

and/or variants thereof in relation to their business/products in India. No products of plaintiffs bearing any of the aforesaid trademarks are available for sale in India. The aforesaid marks have been abandoned by plaintiffs. In fact, no products bearing the said marks have been produced/filed in the Court. There is no goodwill/reputation vested in favour of plaintiffs in the said marks.

The marks , BHARTIA CUTLER-HAMMER, CUTLER-HAMMER, ) are exclusively associated with defendant. The said products and are distinctive of its products/business by virtue of continuous and extensive use for several decades. There is no evidence of confusion and deception placed by the plaintiffs on record. There is no likelihood of confusion/deception as plaintiffs' products bearing the said marks are not available in India. Therefore, no damage would be caused to plaintiffs on account of use of the said marks by defendant. On the contrary, defendant will suffer irreparable loss, damage and injury, if plaintiffs commence use of the said

marks in India. Rather the plaintiffs have abandoned their trademarks in India who themselves have allowed removal of their following trade marks in India and other countries as admitted by the plaintiffs in their rejoinder due to non-payment of their renewal fee and have not taken any steps for restoration. The details are as under:

(Hereinafter the abovementioned logos or variant thereof would be referred as "CH" logo, and logo of CUTLER-HAMMER as "CUTLER-HAMMER")

32. Despite having incorporated a subsidiary in India i.e. plaintiff No. 2 as far back as in the year 1996, plaintiff No. 1 has not used the said marks in respect of its products/business and neither raised any objection against defendant's activities in India. Plaintiffs' products available in India do not depict/bear the trade marks "CUTLER-HAMMER" or "CH" or variants thereof. Products purchased by defendant on 22nd, December, 2011 which does not show use of the said marks. The invoice raised in respect of the said products also does not show use of the marks. Plaintiffs have filed few purchase orders of 2009, 2010 and 2011 however, the same do not show any actual sale of the products in India under the mark CUTLER-HAMMER. Further, plaintiffs have relied on a catalogue of 2001 pertaining to Canada to correlate the product codes. No document has been placed on record by the plaintiffs establishing use of the marks in question post 1986, thereby confirming that plaintiff No. 1 lost interest/rights in the marks CUTLER-HAMMER, CH post 1986 and have commenced use only recently so as to ride on the goodwill and reputation vesting in the defendant's marks.

33. The sales figures provided by plaintiffs for the years 2008-2011 in respect of their products are vague, misleading, unsubstantiated and scanty inasmuch as the same are neither indicative of sales in India nor discloses use of these trademarks. The sales figures of Rs. 35 lac, which at any rate are vague, unsubstantiated and denied, provided by plaintiffs towards sale of products in the year 2008 bearing the marks in question are no match to the sales generated by defendant in the year 2008 i.e. Rs. 1,94,82,68,813/-.

34. No document including promotional materials/advertisements has been placed on record by the plaintiffs establishing use of the marks in question post 1986. The Caution Notice published by the plaintiffs on 19th December, 2011 in the daily, "The Times of India" was confined to the trade mark CUTLER-HAMMER and there was no whisper of the marks CH and/or variants thereof.

35. Nothing on record to show that the Registered User Agreement dated 19th February, 1979 was recorded with the Trade Marks Registry as per Section 48 of the Trade and Merchandise Marks Act, 1958, thus, it does not lie in the mouth of the plaintiffs to say that "use" would accrue to the plaintiffs for the period 1979-1986.

36. It is also argued by Mr. Sethi that the present action of the plaintiffs suffers from long delay, laches, acquiesces and waiver on the part of plaintiffs. Therefore, the plaintiffs are entitled for the discretionary relief of injunction.



It is admitted by the defendants that after the expiry of the Registered User Agreement in 1986, defendant continued to use, inter alia, the trademarks BHARTIA CUTLER-HAMMER, CUTLER-HAMMER, CH with the full knowledge, consent and encouragement of Plaintiff No. 1 by way of addressing letters by the plaintiffs themselves and various meetings and discussions between the parties at least for the last 25 years.

37. Certain following illustrative instances have been given by the defendant in order to show the knowledge of the plaintiffs about the continuous user of trademarks in question:

i) Plaintiffs have admitted to the fact that the letters exchanged between Plaintiff No. 1 and Defendant reflected Defendant's use of the trade marks BHARTIA CUTLER-HAMMER, CUTLER-HAMMER, CH on the letter head.

ii) Plaintiff No. 1 had entered into Sales Agreements on 13th July, 1988 and 4th September, 1990 with defendant's affiliate viz. Bhartia International Private Limited (which later merged into defendant); License and Technical Service Agreements dated 10th April, 1990 and 11th December, 1992 with defendant and Export Agreement dated March 16, 1994 between plaintiff No. 1 and defendant.

iii) Plaintiff No. 1 and Defendant exchanged various correspondences and visited each other's offices/factories in India and the USA in connection with business as well as to explore new business opportunities. The letters addressed by defendant clearly reflected use of the trade marks BHARTIA CUTLER-HAMMER, CUTLER-HAMMER, CH on the letterhead. The product brochure forwarded to plaintiff No. 1 also bore the trademarks/names BHARTIA CUTLER-HAMMER and CH of the defendant. The representatives of plaintiffs who visited the office/factory of defendant could not have missed defendant's use of the said marks.

38. Plaintiffs' Indirect Knowledge

i) When the plaintiff No. 1 had filed fresh application seeking registration of the mark "CUTLER-HAMMER" under No. 642706 on 11th October, 1994, the Examination Report issued by the Trade Marks Registry on 22nd October, 1999 cited defendant's prior mark "CUTLER-HAMMER" under No. 582999 against plaintiffs' application. There was opposition from the plaintiffs' side.

ii) Mr. Jamshed Khurram, Director - Sales & Marketing PD, South Asia of plaintiff No. 2 and Mr. Ajay Jain, President of plaintiff No. 1's affiliate company Moeller HPL India Private Limited were employees of the defendant during 2004-2005 and 2001-2005 as Business Manager (OEM) and General Manager (Sales and Marketing) respectively.

iii) Plaintiff No. 2 was incorporated on 1st March, 1996 and has an office at Delhi. Defendant also has an office at Delhi. The Directors and other senior employees of Plaintiff No. 2 have been in constant touch with Defendant and have visited its

offices.

iv) Being in the same line of business, Plaintiff No. 2 is deemed to have been aware of Defendant's business/products bearing the marks, BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH. Defendant has been continuously and extensively using the marks, BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH in respect of its products/business for nearly half a century and products bearing the said marks are available in every nook and corner of the country. Therefore, the plaintiffs/their predecessor had waived their rights, if at all, in the trade marks CUTLER-HAMMER, CH and variants thereof.

It is not open now for the plaintiffs to exit from India and then return after lapse of a few decades and seek to restrain the defendant, an Indian company, which has, in the meantime, established a goodwill/reputation in its favour. Upon realizing the magnitude of defendant's business and its reputation in the market vis-à-vis plaintiffs' failure to gain market share in India, they are now attempting to usurp defendant's business/trade marks in India.

39. Mr. Sethi argued that law assists those who are vigilant about their rights and not those who sleep over their rights - *Vigilantibus Non Dormientibus Acquitas Subveniunt*". Plaintiffs are, therefore, estopped, both in law and equity from asserting rights over the statutory and proprietary rights of Defendant in the marks, BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH.

40. It is also challenged by the defendant that the plaintiff No. 1 has acquired the company Cutler-Hammer, Inc. in the year 1978, as it is the admitted position that the plaintiffs have made the application on 28th November, 1979 on Form TM-24 for recordal of change in ownership in the Trade Marks Registry, Kolkata. Pursuant to the said request and order thereon dated January 23, 1980, Plaintiff No. 1 was registered as subsequent proprietor of the mark CUTLER-HAMMER by virtue of Certificate of merger. Plaintiffs have not filed any documents to show that the said registration and/or any other marks were part of the merger.

On 31st May, 2010, plaintiff No. 1 also filed a request on Form TM- 33 (for recordal of change of name) with the Registry indicating that Cutler-Hammer, Inc. is the subsequent proprietor of the said mark and that "Cutler-Hammer, Inc." has, by virtue of Certificate of Amendment of Certificate of Incorporation dated 20th August, 2003, changed its name to "Eaton Electrical, Inc." After raising objection by the defendant on 28th April, 2012, plaintiffs vide letter dated 2nd May, 2012 filed a request with the Trade Marks Registry, Mumbai withdrawing the said request. In the said letter, plaintiffs for the first time disclosed that there are two, Cutler-Hammer Inc.

In view of above, the plaintiffs herein have no locus to seek an injunction against the defendant.

41. It is also alleged by the defendant that the balance of convenience exists in favour of defendant, as the defendant is a leading manufacturer and distributor of premium low voltage electrical and electronics products in India. The defendant presently employs approximately 1800 personnel and 150 engineers including a strong R&D department. It has over 30 sales offices with numerous "Resident Engineer" locations strategically spread all over India and over 500 dealers and thousands of sub-dealer network to better serve its customers. The defendant's products are exported to over 25 countries, either directly, or through authorized distributors in jurisdictions such as Europe, Far East, Middle East, Africa and South-East Asia. In fact, on account of extensive and continuous use of the trade marks by the defendant in respect of its products/business for over 25 years, a prima facie case exists in favour of the defendant and against the plaintiffs.

The following judgments are referred by the defendant in support of its submissions:

(i) [Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others](#), (para 105-110)

(ii) [Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.](#), (Paragraphs 26-34)

(iii) [Atlas Cycles \(Haryana\) Ltd. Vs. Atlas Products Pvt. Ltd. and Another](#), (High court of Delhi-Single Judge) (Paragraphs 23, 24 & 26)

(iv) [Kirloskar Proprietary Ltd. and others Vs. Kirloskar Dimensions Pvt. Ltd. and others](#), (High Court of Karnataka-Single Judge) (Paragraphs 32 & 34)

(v) [Warner Bros. Entertainment Inc. and Another Vs. Harinder Kohli and Others](#), (High Court of Delhi-Single Judge) (Paragraph 30)

(vi) [QRG Enterprises and Another Vs. Surendra Electricals and Others](#), (Paragraph 36)

(vii) [S.P. Chengalvaraya Naidu \(dead\) by L.Rs. Vs. Jagannath \(dead\) by L.Rs. and others](#), (Paragraph 7)

(viii) [Prem Singh Vs. Ceeam Auto Industries](#), (High Court of Delhi-Single Judge) (Paragraphs 22 and 23)

(ix) ITC Limited and ITC Hotels Limited Vs. Punchgini Inc., United States Court of Appeals, Second Circuit. Docket NO. 05-0933-cv. (Page 3-6)

(x) [Vee Excel Drugs and Pharmaceuticals Ltd. Vs. Hab Pharmaceuticals and Research Lim.](#), (Paragraphs 10, 11, 12, 13 & 16)

(xi) [Cluett Peabody and Co. Inc. Vs. Arrow Apparals](#) (Paragraphs 30 & 31)

(xii) [UTO Nederland B.V. and Another Vs. Tilaknagar Industries Ltd.](#), (Paragraphs 66, 67, 70, 71, 82, 90, 92, 94 and 101)

(xiii) Barcamerica International USA Trust Vs. Tyfield Importers, Inc., United States Court of Appeals for the Ninth Circuit D.C. No. CV-98-00206-FCD Pages 4, 6 &7

(xiv) Freecycle Sunnyvale Vs. The freecycle Network, United States Court of Appeals for the Ninth Circuit D.C. No. 4:06-cv-00324-CW Opinion Paragraph III [2] - Page 18818

(xv) [Wander Ltd. and Another Vs. Antox India P. Ltd.,](#) (Supreme Court of India - 3 Judges" bench) Paragraph 5

(xvi) [K.R. Jadayappa Mudaliar and Others Vs. K.B. Venkatachalam and Another,](#) Paragraph 19

42. The defendant in its case is seeking, inter alia, an injunction against plaintiffs from extending threats to its affiliates, customers, distributors, dealers, agents etc., as plaintiffs are wrongly claiming rights in the marks "CUTLER-HAMMER" and CH and issuing threats to defendant's dealers, distributors and agents thereby hampering its business and creating confusion in the minds of the discerning members and also by issuing publication of the Caution Notice for the mark "CUTLER-HAMMER". On 6th January, 2012, plaintiff No. 1, through its lawyers, addressed a "cease and desist" letter to defendant calling upon it to refrain from using the marks CUTLER-HAMMER and "CH" (label) and/or any deceptive variation/s thereof and termed its products as "counterfeit".

43. The defendant is the proprietor of the trade mark "CUTLER-HAMMER" registered in Class 9, registration of which dates back to 14th October, 1992. Plaintiffs' use of the mark "CUTLER-HAMMER" which is identical/deceptively similar to defendant's registered trade mark "CUTLER-HAMMER" in relation to identical goods/products is tantamount to infringement of defendant's statutory rights vesting in its registered and reputed trade mark "CUTLER-HAMMER". Goodwill and reputation subsisting in defendant's trademarks/logos, CUTLER-HAMMER, BHARTIA CUTLER-HAMMER and CH any use of the said marks and/or deceptive variations thereof would mislead and deceive the public/consumers into believing that plaintiffs' business/products originate from defendant. Thus, plaintiffs are guilty of passing off as plaintiffs are intentionally and blatantly violating defendant's rights in the aforesaid trademarks and a case of misappropriation leading to deception amongst the members of trade and public is clearly made out against plaintiffs.

The balance of convenience exists in favour of defendant, as due to long, continuous and extensive use of the marks/logos, BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH in India for the last several decades, the same are well-known and deserve protection. On the other hand, the plaintiffs have recently commenced use of "CUTLER-HAMMER" who had earlier abandoned the marks "CUTLER-HAMMER" and CH and variants thereof in India as well as internationally, thus they have no authority/justification to assert rights over the same. Use of the aforesaid mark by plaintiffs is with the sole intention of riding upon defendant's fame and goodwill

garnered over the years.

44. An irreparable harm and injury is being suffered by defendant by virtue of (i) publication of Caution Notice by plaintiff No. 1 claiming exclusivity over the mark CUTLER-HAMMER; (ii) issuance of threats to Plaintiff/its dealers/distributors; and (iii) plaintiffs' recent commencement of use of the mark "CUTLER-HAMMER" which is identical/deceptively similar to defendant's registered and well-known trademarks, BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH. Plaintiffs being in the same trade and business as defendant, it will cause irreversible damage to the goodwill, fair name, reputation and integrity of defendant, its businesses and the much renowned and well-known trademarks/logos BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH.

45. In case, pleadings of both the parties are read, it is not disputed by the defendant that trademarks CUTLER-HAMMER and the device CH are well known trademarks, there would be confusion and deception if both the parties are allowed to use the same trademarks. The defendant has also not disputed the facts that two sets of trademarks are same and are being used by both parties in relation to same product. The defendant has also not denied that the defendant entered into an agreement "Registered User Agreement" bearing the said trademarks and the defendant has filed the applications for registrations of the same very trademarks which were earlier being used as a permissive-use under the licence agreements. The plaintiffs' oppositions to the various applications for registration filed by the defendant are pending. The main case of the defendant is that after breaking relation between the parties, the defendant has been using the same very trademarks for the last 25 years within the knowledge of the plaintiffs. The defendant has acquired unique and independent goodwill and reputation of trademarks in India and abroad. The plaintiffs on the other hand abandoned their trademarks as some of trademarks are not renewed. The plaintiffs have not been using the trademarks in India and other parts of the world. The defendant is the registered proprietor of trade mark logo of CH in Class 9 as on 14th October, 1992. The plaintiffs are unnecessary harassing the defendant by extending their threats by various ways. Therefore, the plaintiffs are not only entitled for injunction prayed for rather they should be restrained from extending their threat as prayed in the application for injunction filed by the defendant.

46. In order to decide these two applications, the following issues are to be considered by the Court:

- i) Whether the defendant is infringing the registered mark CUTLER-HAMMER.
- ii) Whether the defendant is passing off its goods as that of the plaintiffs".
- iii) Whether the defendant being earlier permissive user of trademarks are entitled to claim the proprietorship rights after the expiry of period of licence agreement and are entitled to use the same trademarks.

- iv) Whether the plaintiffs are entitled for interim injunction at this stage despite of delay, laches, acquiesces and waiver as per plea raised by the defendant.
- v) Whether the defendant who is also holding the registration of logo mark CH in Class 9 as of 14th October, 1992 can be restrained by this Court.
- vi) Whether the defendant is entitled for injunction against the plaintiffs in its application being I.A. No. 4318/2012 restraining the plaintiffs for extending the groundless threats to the dealers and other representatives of the defendant.
- vii) In whose favour balance of conveniences lies in view of the facts and circumstances of the present two actions filed by the parties.

47. Some relevant dates and events are necessary to mention here in order to deal with the submissions of the parties. As per the case of the plaintiff Cutler-Hammer Mfg. Co. incorporated in the year 1893. On 28th August, 1916 Eaton Corporation (plaintiff No. 1) incorporated in Ohio. Cutler-Hammer, Inc. incorporated on 6th December, 1928. Trademark "CUTLER-HAMMER" under No. 164435 as of 8th June, 1954 in Class 9 applied by Cutler-Hammer, Inc. duly registered and renewed up to 08.06.2020. Eaton Corporation (plaintiff No. 1) is recorded as subsequent registered proprietor vide order dated 23rd January, 1980. Trademark CH under No. 164434 as of 8th June, 1954 in Class 9 applied by Cutler-Hammer, Inc. The mark was duly registered and Eaton Corporation (Plaintiff No. 1) was recorded as subsequent registered proprietor by order dated 23rd January, 1980. The registration lapsed due to non-payment of renewal fee due for period 8th June, 1989 to 8th June, 1996.

47.1 Trademark CH under No. 205632 as of 3rd November, 1961 in Class 9 applied by Cutler-Hammer, Inc. The mark was duly registered and Eaton Corporation (Plaintiff No. 1) was recorded as subsequent registered proprietor vide order dated 23rd January, 1980. The registration lapsed due to non-payment of renewal fee due for period 3rd November, 1989 to 3rd November, 1996.

47.2 Joint venture set up between Cutler Hammer, Inc. and Indian promoters to form "Cutler-Hammer India Limited" in the year 1965. In February, 1974 Cutler-Hammer, Inc. agreed to terminate its equity interest in India and removed its foreign ownership. It is mentioned in Sales agreement dated 3rd June, 1977. Sales agreement executed between Bhartia Cutler-Hammer Limited and Cutler-Hammer World Trade, Inc., Cutler-Hammer International, Cutler Hammer Export Sales Corporation. The duration of Agreement was 10 years with restricted trademarks rights. On the day the License and Technical Service Agreement was executed between Cutler-Hammer World Trade Inc. and Bhartia Cutler-Hammer Limited. Cutler-Hammer World Trade Inc. is the subsidiary of Cutler Hammer, Inc. The duration of Agreement was 10 years with grant of restricted trademarks rights. On 19th August, 1978 Cutler-Hammer India Limited (defendant) changed its name to Bhartia Cutler-Hammer Limited. In February, 1978 Trading Name Agreement executed between Cutler-Hammer, Inc. and Bhartia Cutler-Hammer Limited where

Bhartia Cutler-Hammer Limited was permitted to use the words CUTLER-HAMMER as part of the corporate title by Cutler-Hammer, Inc. in a limited way/manner and upon or in connection with goods manufactured under the license from Cutler-Hammer, Inc.

47.3 The Registered User Agreement was between Cutler-Hammer, Inc. and Bhartia Cutler-Hammer Limited. Duration of Agreement was 07 years. On 13th March, 1979 Certificate of ownership and merger merging Cutler-Hammer, Inc. into Eaton Corporation (plaintiff No. 1).

Sales agreement was executed between Bhartia International Private Limited and Eaton Corporation on 13th July, 1988. Duration of Agreement was 2 years with restricted trademark rights to the defendant.

47.4 On 10th April, 1990 License and Technical Service Agreement was executed between Eaton Limited and Bhartia-Cutler Hammer Limited. Foreign Collaboration Approval of 1988 was taken. Duration of Agreement was 10 years. On 4th September, 1990 another Sales agreement was executed between Bhartia International Private Limited and Eaton Corporation. Duration of Agreement was 5 years with restricted trademark rights to Bhartia.

47.5 On 14th October, 1992 Trademark "CH Control" under No. 582999 in Class 9 by applied by Bhartia Industries Limited and is registered.

47.6 In December, License and Technical Service Agreement was executed between Eaton Limited and Bhartia-Cutler Hammer Limited. Duration of Agreement was 8 years. Foreign Collaboration Approval of 1992 is filed on record. Another Export Agreement was executed between Bhartia Cutler-Hammer Limited & Eaton Corporation on 16th March, 1994. Duration of Agreement was equal to the term of License and Technical Service Agreement, 1992. On 11th October, 1994 fresh Trademark CH (Label) under No. 642706 in Class 9 applied by Eaton Corporation. Registration lapsed due to non-payment of renewal fee for the period 11th October, 2004 to 11th October, 2014. Interlocutory petition for restoration of registration is pending before the Registrar.

47.7 Bhartia Cutler-Hammer Limited changed its name to Bhartia Industries Ltd. w.e.f. 24th August, 1995.

47.8 On 1st March, 1996 Powerware International Private Limited was incorporated. Name was changed to Eaton Power Quality Private Limited on 10.11.2004.

47.9 On 4th April, 2003 Trademark "CUTLER-HAMMER" under No. 1189782 in Class 9 applied by Bhartia Cutler-Hammer Limited. It is pending as opposed. Eaton Corporation filed Notice of Opposition under No. DEL- 179395 to oppose registration of trademark CUTLER-HAMMER filed by Defendant under application No. 1189782. TM-6 was filed on 9th March, 2005.

47.10 On 29th May, 2007 one fresh application of registration of Trademark "BHARTIA CUTLER-HAMMER" under No. 1562940 in Class 9 applied by Bhartia Industries Limited (now Defendant). It is pending as objected by Registry itself. Bhartia Industries Limited also on 29th May, 2007 (now defendant) filed 21 other applications in the Trade Marks Registry to register trademark(s) BHARTIA CUTLER-HAMMER, CUTLER-HAMMER and CH and variants thereof in various Classes and the same are pending for registration.

47.11 Bhartia Industries Limited changed its name to BCH Electric Limited w.e.f. 25th October, 2007. Eaton Corporation obtained ex-parte injunction against BCH Electric Limited (Defendant) restraining them to use Eaton Corporation's trademarks CUTLER-HAMMER and CH in Germany on 7th April, 2011. Caution Notice published in the newspaper by plaintiffs in respect of trademark "CUTLER-HAMMER" under No. 164435 on 19th December, 2011 who has also issued "Cease and Desist" notice by plaintiffs on 6th January, 2012.

47.12 Caution Notice published by defendant in respect of mark CH CONTROL under No. 582999 in Class 9 on 4th January, 2012. On 9th January, 2012, the defendant filed the application for cancellation in respect of trademark CUTLER-HAMMER under No. 164435 before the Registrar of Trade Marks for removal of trademark on various grounds.

48. In view of the abovementioned facts stated in their pleadings, the plaintiffs filed the suit on 8th January, 2012 along with interim application against the BCH Electric Limited being CS(OS) No. 156/2012. The defendant filed its written Statement and reply to interim application in suit CS(OS) No. 156/2012 on 18th February, 2012. On 3rd March, 2012 the defendant also filed suit against Eaton Corporation and Eaton Power Quality Pvt. Ltd. being CS(OS) No. 575/2012 in the High Court of Delhi along with I.A. No. 4318/2012 (under Order XXXIX, Rules 1 & 2 CPC). It is also informed that the plaintiff No. 1 also filed Rectification Petition for removal of Defendant's trademark CH Control bearing No. 582999 in Class 09 with the Intellectual Property Appellate Board, Chennai on 20th July, 2012 against the defendant.

49. The details and status of registrations of the parties which are gathered from their pleadings as well as from written submissions are mentioned below:-

#### PLAINTIFFS' TRADEMARKS

vi) Other 21 trademarks applied by Defendant on 29th May, 2007 are pending for registration; List of marks is filed on record.

50. The plaintiffs' case now rest on:

i. Action of infringement filed on the basis of Plaintiffs' statutory rights vested in the trademark CUTLER-HAMMER bearing No. 164435 in Class 09;



ii. Action of passing off filed on the basis of Common law rights which plaintiffs have acquired in the trademark CUTLER-HAMMER and variants thereof bearing No. 642706 in Class 09.

51. From the pending applications filed by the defendant as well as registrations, it appears that the defendant has claimed its own user of the trademarks also for the period when the defendant was using the trademarks as permissive user as a licensee of the plaintiffs.

52. Although the defendant's case in the written statement is also that after expiry of user agreement, the defendant continued to use the marks with the knowledge of the plaintiffs at least for the last 25 years.

53. These two versions of the defendant are clearly contrary to each other.

54. From the material placed on record, it reveals that the plaintiffs are prior adopter and user of trademarks than the alleged user claimed by the defendant in the world market including India as the plaintiff No. 1 (including its predecessor) is the prior adopter and user of the trademark(s) CUTLER-HAMMER and CH worldwide including India. The details are given as below:-

(i) The trade mark "CUTLER-HAMMER" was first adopted by Cutler-Hammer, Inc. in the year 1893. Cutler-Hammer, Inc. (Predecessor of plaintiff No. 1) first shipped its goods under trademark "CUTLER-HAMMER" to India in the year 1919.

(ii) The trade mark CH was first adopted by predecessor-in-interest and title of plaintiff No. 1 in the year 1914 in USA and thereafter in India in respect of goods falling in Class 9. The trade mark CH was first adopted by Cutler-Hammer, Inc. (predecessor-in-interest and title of plaintiff No. 1) in the year 1960 in USA and thereafter in India in respect of goods falling in Class 9. The mark CH was superseded by new version of CH (Logo) that is CUTLER-HAMMER in the year 1994.

55. Plaintiffs' trademarks were registered prior in point of time to the user claim by the defendant in its trade marks application as the plaintiffs trademark CUTLER-HAMMER bearing No. 164435 in Class 09 is registered since 8th June, 1954 when the defendant company was not even in existence.

56. The plaintiffs' trademark CH bearing application No. 164434 in Class 09 was registered since 8th June, 1954. Further, the plaintiffs trademark CH bearing application No. 205632 in Class 09 was registered since 3rd November, 1961. However, the said registrations were removed for non-payment of renewal fee due for period 1989-1996.

57. Legal Proceeding Certificates, i.e. certified copies of registrations reveal that the plaintiff No. 1 is the subsequent registered proprietor of the trademark cutler-hammer bearing No. 164435 in Class 09. The said trademark was initially registered in the name of CUTLER-HAMMER, INC. In the year 1979,

CUTLER-HAMMER, INC. merged with and into Plaintiff No. 1. Therefore, pursuant to request on form TM-24 dated 28th November, 1979 by erstwhile agents Remfry & Son (now Remfry & Sagar) and order thereon dated 23rd January, 1980, Eaton Corporation (Plaintiff No. 1) became the subsequent registered proprietor as from 30th March, 1979 by virtue of Certificate of Merger.

58. Defendant's objections that the plaintiff No. 1 has not acquired any rights in the trademark CUTLER-HAMMER under No. 164435 is without any substance on account of following reasons:

i. Defendant has not only admitted the fact that trademark CUTLER-HAMMER belongs to plaintiff No. 1 that is Eaton Corporation but has also published the fact that their products are manufactured in technical collaboration with CUTLER-HAMMER(which is a division of Eaton Corporation) in its catalogs that were distributed to customers in India. The same is available on record at page 448 filed along with defendant's list of documents on 17th February, 2012.

It is informed by Mr. Sudhir Chandra, learned Senior counsel that the said request for recordal of plaintiff No. 1 as subsequent registered proprietor of the trademark CUTLER-HAMMER in application No. 164435 was filed by Remfry & Sagar who are now counsel for defendant. It is not open for counsel for defendant to now challenge the said order of the Registrar which was passed on the basis of request made through them and on their declaration made in form TM-24 dated 28th November, 1979, as law does not permit a person to both approbate and reprobate. This principle is based on the doctrine of election which postulates that no party can accept and reject the same instrument and that "a person cannot say at one time that a transaction is valid and thereby obtain some advantage, to which he could only be entitled on the footing that it is valid, and then turn round and say it is void for the purpose of securing some other advantage". Case Law: [R.N. Gosain Vs. Yashpal Dhir](#) .

59. The following documents are relied upon by the plaintiffs in order to show that the plaintiffs' trademarks are well-known marks and has transborder reputation which has spilled over to India:

a) History of plaintiff No. 1

- ◆ Founded in 1911
- ◆ World Headquarters in Cleveland, Ohio, U.S.A.
- ◆ Regional Headquarters in Shanghai, China
- ◆ Innovation Centers in U.S.A., China and India.
- ◆ Customers in more than 150 Countries
- ◆ 73,000 employees worldwide

◆ 55% of sales outside U.S.

b) Revenue in the year 2010

Market Value: \$19.92 billion USD

Sales of all industrial segments: \$13.7 billion USD

Revenue from Electrical segment alone: Market Value: \$6.4 billion USD

c) Awards and Honours

◆ Ranked as the #1 greenest company among general industrials and #16 among the 500 largest publicly traded companies in Newsweek's 2010 U.S. Green Rankings.

◆ One of five companies selected by Barron's for its "Green Dream Team".

◆ Honored among Ethisphere Institute's "World's Most Ethical Companies" for fifth consecutive year

◆ Ranked among Corporate Responsibility Officer magazine's "100 Best Corporate Citizens".

◆ Cited in China's Business Watch magazine's Green Company Top 50 and Fast Company Top 100.

d) Financial highlights of Electric Sector in year 2010, materials are available on record.

◆ Electrical Sector \$6.4 Billion USD

◆ Eaton Corporation Sale: \$13.7 Billion USD

◆ Net Income: \$929 Million

◆ Operating Earnings per share (EPS): \$ 5.61

◆ 58% Americas \$3.7 B Canada, United States, Latin America

◆ 42% Rest of the world \$2.7B Europe, Middle East, Africa, Asia Pacific

e) Registration of trademarks in Foreign Countries

(LOD means List of Documents)

List of Countries:

Registration Certificates for CUTLER-HAMMER: Pg 159; LOD: 18.01.2012

Registration Certificates for CH EMBLEM: Pg 374; LOD: 18.01.2012

Registration Certificates for CH CONTROL: Pg 476; LOD: 18.01.2012

II. Evidence of use of trademarks by plaintiffs in foreign countries

## PURCHASE ORDERS/INVOICES/BILL OF LADING

- ◆ 1989: Pg No. 189, 205, 209; LOD: 19.03.2012
- ◆ 1996: Pg No. 210; LOD: 19.03.2012
- ◆ 1999: Pg No. 191; LOD: 19.03.2012
- ◆ 2002 (CUTLER-HAMMER & CH EMBLEM): Pg 211;  
◆ LOD: 19.03.2012
- ◆ 2003: Pg No. 192, 193, 194; LOD: 19.03.2012

## III. BROCHURES/CATALOGUES

- ◆ 1970 (CUTLER-HAMMER & CH Control): Pg No. 39-47; LOD: 14.05.12
- ◆ 1973 (CUTLER-HAMMER & CH Control): Pg No. 48-59; LOD: 14.05.12
- ◆ 1976 (CUTLER-HAMMER & CH Control): Pg No. 60-65; LOD: 14.05.12
- ◆ 1979 (CUTLER-HAMMER & CH): Pg No. 243-244; LOD: 19.03.2012
- ◆ 1981 (CUTLER-HAMMER & CH Control): Pg No. 66-76; LOD: 14.05.12
- ◆ 1983 (CUTLER-HAMMER & CH Control): Pg No. 77-85; LOD: 14.05.12
- ◆ 1986 (CUTLER-HAMMER & CH Control): Pg No. 86-91; LOD: 14.05.12
- ◆ 1988 (CUTLER-HAMMER): Pg No. 694; LOD: 18.01.2012
- ◆ 1993 (CUTLER-HAMMER & CH): Pg No. 295, 347; LOD: 19.03.2012
- ◆ 1994 (CUTLER-HAMMER): Pg No. 275; LOD: 19.03.2012
- ◆ 1995 (CUTLER-HAMMER & CH): Pg 246, 248, 252, 299, 303; LOD: 19.03.12
- ◆ 1996 (CUTLER-HAMMER, C-H & CH): Pg No. 309, 321; LOD: 19.03.12
- ◆ 1997 (CUTLER-HAMMER & CH): Pg No. 764, 767; LOD: 18.01.2012 Pg No. 321, 329, 331, 333, 346 LOD: 19.03.12
- ◆ 1998 (CUTLER-HAMMER & CH): Pg No. 765, 766, 768; LOD 18.01.12 Pg No. 349, 359, 363, 365, 377; LOD: 18.01.2012
- ◆ 1999 (CUTLER-HAMMER & CH): Pg No. 770; LOD: 18.01.2012 Pg No. 425, 433; LOD: 19.03.2012
- ◆ 2000 (CUTLER-HAMMER & CH): Pg No. 772, 773, 779; LOD: 18.01.12
- ◆ 2001 (CUTLER-HAMMER & CH): Pg No. 771, 774; LOD: 18.01.2012 Pg No. 274; LOD: 19.03.2012
- ◆ 2002 (CUTLER-HAMMER & CH: Pg No. 777; LOD: 18.01.2012

- ◆ 2003 (CUTLER-HAMMER): Pg No. 254, 257; LOD: 19.03.2012
- ◆ 2004 (CUTLER-HAMMER): Pg No. 272; LOD: 19.03.2012
- ◆ 2006 (CUTLER-HAMMER & CH): Pg No. 775; LOD: 18.01.2012
- ◆ 2007 (CUTLER-HAMMER): Pg No. 647, 655, 659; LOD: 18.01.2012 Pg No. 261; LOD: 19.03.2012
- ◆ (CUTLER-HAMMER & CH): Pg No. 662, 758; LOD: 18.01.2012

#### IV. PUBLICATIONS & ADVERTISEMENTS

- ◆ 1909: Pg No. 92, LOD: 14.05.12
- ◆ 1915: Pg No. 93, LOD: 14.05.12
- ◆ 1919: Pg No. 94, LOD: 14.05.12
- ◆ 1925: Pg No. 95, LOD: 14.05.12
- ◆ 1926: Pg No. 96, LOD: 14.05.12
- ◆ 1928: Pg No. 97, LOD: 14.05.12
- ◆ 1929: Pg No. 98, LOD: 14.05.12
- ◆ 1934: Pg No. 99, 100 LOD: 14.05.12
- ◆ 1935: Pg No. 101, LOD: 14.05.12
- ◆ 1936: Pg No. 102, LOD: 14.05.12
- ◆ 1941: Pg No. 104, LOD 14.05.12
- ◆ 1957: Pg No. 106, LOD: 14.05.12
- ◆ 1960: Pg No. 107, 108 LOD: 14.05.12
- ◆ 1970: Pg No. 109, 110 LOD: 14.05.12
- ◆ 1980: Pg No. 111, 112 LOD: 14.05.12
- ◆ 1990: Pg No. 113, 114, 115 LOD: 14.05.12
- ◆ 2000, Pg No. 614 LOD: 18.01.2012, Pg No. 442, 445 LOD: 19.03.2012
- ◆ 2004, Pg No. 614, 616 LOD: 18.01.2012
- ◆ 2007, Pg No. 611 LOD: 18.01.2012

#### V. NEWSLETTERS/NEWSRELEASE

- ◆ 1998, Pg No. 319-320, 449 LOD: 19.03.2012
- ◆ 1999, Pg No. 451, 451A, 452, 457 LOD: 19.03.2012

## VI. PAMPHLETS/LABELS/CARTONS

Pg No. 458-465, LOD: 19.03.2012

60. The following documents are referred by the plaintiffs to show prima facie evidence of use of trademarks by the plaintiffs in India:

### A. 1919-1965

Evidence:

User claimed in trademark Journal No. 217 dated 16.06.1958; Page No. 22, LOD: 19.03.2012

Affidavit of Mr. Paul S. Jones filed in trademark CUTLER-HAMMER bearing application No. 164435: Pg. 24 LOD: 19.03.2012

### B. 1965-1986 (From period of incorporation of defendant to the expiry of Registered User Agreement)

The trademarks were used by the plaintiffs through their licensee, defendant.

Evidence:

Catalog of 1973-1974: Pg. 48-59; LOD: 14.05.2012

Catalog of 1979-1980: Pg. 243-244; LOD: 19.03.2012

C. Plaintiffs have been using the trademark CUTLER-HAMMER in India since the year 1919. The use of trademarks by plaintiffs prior to the year 1978 is not disputed by the defendant. Defendant in their pleadings as well as arguments alleged non-use on part of plaintiffs since the year 1978.

61. It is not denied by the defendant about the execution of Registered User Agreement dated 19th February, 1979 and its pleadings. The record also reveals that an application in the prescribed manner was filed in the Trademark Registry. However, there is no evidence on record to show whether the said application for registration of Registered User Agreement was accepted or not.

It is argued by Mr. Sudhir Chandra that since the plaintiff No. 1 company had a base in USA, therefore, defendant (which is an Indian Company) was to complete all the legal formalities of registration of Registered User Agreement at the Trade Marks Office through the trademark agent Remfry & Sons (now Remfry & Sagar). Entire documentation (Form TM-28, TM-48 and Affidavit to that effect) required to register the Registered User Agreement dated 19th February, 1979 was duly completed by plaintiff No. 1 as well as defendant.

Both, Cutler-Hammer, Inc. and defendant authorized Remfry & Sons (now Remfry & Sagar) to act as an agent for entering Bhartia Cutler-Hammer Limited as a

Registered User. Further, the filing and registration of the Registered User Agreement was left to defendant. As M/s. Ramfry and Sagar is now appearing as attorney on behalf of the defendant they may be in better position to inform the Court about its outcome. However, at present, it is immaterial if the application for user agreement is not accepted or not as the defendant has admitted the factum of user agreement between the parties. He relied upon License and Technical Service Agreement of 1977 which provides that;

Section 7.3 The parties acknowledges that as at the inception of this Agreement, Licensee (under its prior name, Cutler-Hammer India Limited) is an authorized and recorded "Registered User" of the following proprietary trademarks of Cutler-Hammer, Inc.....

It is also contended by the plaintiffs that advertisement material, Brochures, Catalogs and Price lists were supplied by plaintiff No. 1 to defendant and its attorney for the period 1986-1995.

62. The following is evidence relied upon by the plaintiff from the year 1995 onwards:

#### 1. INVOICES

◆ 1995 Proforma Invoice: Pg No. 803, Def's LOD

◆ Price query by Indian Customer: Pg No. 790, 792 LOD: 18.01.2012

◆ Shipping Invoice (CUTLER-HAMMER): Pg. 785, 786 LOD: 18.01.12

2. PRODUCT CATALOGS from the year 1997 onwards are also uploaded on web site [www. cutler-hammer.eaton.com](http://www.cutler-hammer.eaton.com)

◆ 1997 (CUTLER-HAMMER & CH): Pg No. 764,; LOD: 18.01.2012 Pg No. 329, 331, 333, 346 LOD: 19.03.12

◆ 2001 (CUTLER-HAMMER & CH):Pg No. 274; LOD: 19.03.2012

◆ 2003 (CUTLER-HAMMER): Pg No. 254; LOD: 19.03.2012

#### 3. PURCHASE ORDERS

◆ 2009: Pg No. 176; LOD: 19.03.2012

◆ 2010: Pg No. 169, 170, 171, 175, 186; LOD: 19.03.2012

◆ 2011: Pg No. 139, 141, 150, 151, 152, 153, 166, 167, 195; LOD: 19.03.2012 Pg No. 133 (Indirect) LOD: 19.03.2012

#### 4. CORRESPONDENCE OF EATON WITH INDIAN CLIENTS IN RESPECT OF GOODS

◆ 1997: Pg No. 810, Def's LOD

◆ 1999: Pg No. 813, 814, 815, Def's LOD

## 5. CALENDARS

◆ 2011, Pg No. 617 LOD: 18.01.2012

◆ 2012, Pg. No. 842, Def's LOD

## 6. INTENTION TO INCREASE BUSINESS IN INDIA BY PLAINTIFF NO. 1 TO THE KNOWLEDGE OF DEFENDANT

◆ 1995: Pg No. 808 Def's LOD

## 7. USE OF TRADEMARKS BY PLAINTIFFS TO THE KNOWLEDGE OF DEFENDANT

◆ 1993: Pg No. 788, Def's LOD

◆ 1994: Pg No. 789, 801, 802 Def's LOD

◆ 1995: Proforma Invoice: Pg No. 803, 809 Def's LOD

◆ 1996: Pg No. 812 Def's LOD

◆ 1997: Pg No. 810, 811 Def's LOD

## 8. ACKNOWLEDGEMENT/ADMISSION ON PART OF DEFENDANT THAT TRADEMARK CUTLER-HAMMER BELONGS TO PLAINTIFF NO. 1

◆ 1994: Pg No. 791, 792 Def's LOD

◆ 1997: Pg. 69 onwards; LOD: 19.03.2012

63. It is not denied by the plaintiffs that the defendant was set up in the year 1965 as a result of the joint venture between the plaintiffs predecessor-in-interest and title, Cutler-Hammer, Inc. and some Indian partners in the name of CUTLER-HAMMER INDIA LIMITED Name of defendant Company was later changed to Bhartia Cutler-Hammer Ltd. in the year 1977. Further, it was changed to Bhartia Industries Limited in the year 1995. With effect from 25th October, 2007, the name was again changed to

BCH Electric Limited

Mr. Chandra submits that from the year of its incorporation, defendant entered into various agreements with plaintiffs' predecessor-in-interest and title, Cutler-Hammer, Inc. to flourish its business in India and thereafter with plaintiff No. 1.

The Agreements executed between the parties are as follow:

### I. Sales Agreement 1977-1988

◆ Executed between BHARTIA CUTLER-HAMMER LIMITED (referred as India in the agreement) and CUTLER-HAMMER WORLD TRADE, INC., CUTLER-HAMMER INTERNATIONAL AND CUTLER-HAMMER EXPORT SALES CORPORATION (referred as



"International" in the agreement).

- ◆ Term of the agreement is 10 yrs that is from the year 1977 to 1988.

- ◆ As per the agreement, Defendant was appointed as an agent in India to solicit the sale of products manufactured by CUTLER-HAMMER group of companies outside India.

- ◆ Clause III of the Agreement deals with rights of CUTLER-HAMMER group of companies vested in their trademarks/trade names in general. It provides that:

- i. The defendant agreed that nothing herein shall be construed to vest any rights of ownership in any trade names or trademarks which are the registered property of the Plaintiffs or any of its affiliated companies;

- ii. The defendant further agreed not to do anything which will impair plaintiffs' ownership of such trade names or trademarks;

- iii. The defendant further agreed that it will not use such trade names or trademarks to indicate or imply in any way that the Defendant is part of plaintiffs.

- ◆ Relevant Clauses of the Agreement are Clause I (1), I (6), II (3) and Clause III.

## II. License and Technical Service Agreement 1977-1988

- ◆ Executed between Cutler-Hammer World Trade Inc. (wholly owned subsidiary of Cutler-Hammer, Inc.) and Bhartia Cutler-Hammer Limited.

- ◆ Term of the agreement is 10 years that is from the year 1977 to 1988.

- ◆ Article VII of Agreement specifically deals with plaintiffs' trademarks CUTLER-HAMMER bearing No. 164435, bearing No. 1664434 and bearing No. 205632.

- ◆ Section 7.1 of the agreement provides that "It is expressly understood that even when use is authorized, Licensee shall not thereby secure any rights in the said trade names and trademarks".

- ◆ In Section 7.3 of the agreement, parties acknowledged that at the inception of this agreement, Licensee (under its prior name, CUTLER-HAMMER INDIA LIMITED) was an authorized and recorded Registered User of the registered trademarks of Cutler-Hammer, Inc. bearing No. 164435, 164434 & 205632.

- ◆ Licensee was granted non-exclusive right to use the above-mentioned registered trademarks for all of the goods of said registration in India only in manner as set forth in the Section 7.3 of the agreement.

- ◆ As per Section 7.7 of the agreement, it was agreed between the parties that;

- i. Licensee shall not apply or obtain registration of any trademarks or trade names mentioned above;

ii. Licensee shall not challenge the validity or contest the right of the proprietor thereof to obtain registration of the above-mentioned or trade names mentioned above.

◆ Relevant articles of the agreement are Article VII, Article VIII (Section 8.5).

### III. Trading Name Agreement 1979

◆ Executed between Cutler-Hammer, Inc. and Bhartia Cutler-Hammer Ltd.

◆ It is not a term agreement.

◆ It was agreed between the parties that Cutler-Hammer, Inc. is the owner of the words CUTLER-HAMMER when used as a registered or unregistered trademark, corporate title or trading style in the field of activity in which parties are engaged.

◆ Defendant was granted the right to use the words CUTLER-HAMMER as part of the corporate title by Cutler-Hammer Inc. in a restricted manner only upon or in connection with goods manufactured under the license from Cutler-Hammer, Inc.

◆ The Agreement ratifies the use of the words CUTLER-HAMMER by Bhartia Cutler-Hammer Limited prior to its date of incorporation and formally set forth the terms and conditions under which Bhartia Cutler-Hammer Limited was permitted to use the words "CUTLER-HAMMER".

◆ Relevant clauses in the agreement are Clause 1(a) and (e).

### IV. Registered User Agreement 1979-1986

◆ Executed between Cutler-Hammer, Inc. and Bhartia Cutler-Hammer Ltd. on 19th February, 1979.

◆ The term of the agreement is 7 years that is from the year 1979 to 1986.

◆ Defendant was granted permission to use the following registered trademarks of Cutler-Hammer, Inc. for all of the goods of said registration in India:

◆ Trademark under No. 164434.

◆ Trademark "CUTLER-HAMMER" under No. 164435.

◆ Trademark under No. 205632.

◆ Defendant agreed to use the said trademarks only in manner as set forth in the clause 1 to 5 of the agreement and only as long as the goods are manufactured in accordance with the standards, specifications and instructions approved by Cutler-Hammer, Inc.

◆ Defendant was allowed to use the trademark "CUTLER-HAMMER" under No. 164435 in conjunction with the word Bhartia in the particular manner that is (hereinafter referred to as "impugned arrangement"). Whereas the other two

trademarks were allowed to be used along with the legend "Made in India by Bhartia Cutler-Hammer Limited, a wholly Indian owned Licensee of Cutler-Hammer Inc, U.S.A."

Clause 7: "User recognizes the Trade Mark Owner's title to the said trade Marks and shall not at any time do or suffer to be done any act or thing which will in any way impair the rights of the Trade Mark Owner in or to said Trade Marks. It is understood that User shall not acquire and shall not claim any title to the said trademarks by virtue of the license granted to user or through user's use of the said trademarks, it being the intention of the parties that all use of said Trades Marks by user shall at all times inure to the benefit of the Trade Mark Owner."

It is evident from the above that defendant admitted and acknowledged the proprietorship of Cutler-Hammer, Inc. in respect of the trademarks 164435, 164434 and 205632. Defendant also agreed in clause 12 that "...when said trademarks are used by user in relation to user's goods, the trade marks shall be so described as to clearly indicate that they are the trademarks of the trade mark owner and that they are being used only by way of permitted use by the trade mark owner."

Relevant clauses of the agreement are Clauses 1 to 7 and 11.

#### V. Sales Agreement 1988-1990

- ❖ Executed between BHARTIA INTERNATIONAL PRIVATE LIMITED (BI) and Eaton Corporation (plaintiff No. 1) on 13th July, 1988.
- ❖ See Defendant's admission: Para 4(a) at Pg. 7 of the Reply.
- ❖ The term of the agreement is 2 years that is from the year 1988 to 1990.
- ❖ As per the agreement BI was appointed as plaintiff No. 1's commission agent in India for products manufactured by plaintiff No. 1 outside India.
- ❖ As per Clause I(1) of the agreement the said products included Eaton Cutler-Hammer products (For reference see Exhibit A of the agreement).
- ❖ In Clause I (6) of the agreement, Plaintiff No. 1 agreed to supply advertising matter, technical brochures, catalogs and price lists to BI.
- ❖ Clause III (1) of the agreement talks of proprietary rights of plaintiff No. 1 vested in their trademarks/trade names.
- ❖ Relevant clauses in the agreements are Clause I (1), I (6) and III(1).

#### VI. Sales Agreement 1990-1995

- ❖ Executed between BHARTIA INTERNATIONAL PRIVATE LIMITED (BI) and Eaton Corporation (plaintiff No. 1) on 4th September, 1990.
- ❖ See Defendant's admission: Para 4(a) at Pg. 7 of the Reply.

- ❖ The term of the agreement is 5 years that is from the year 1990 to 1995.
- ❖ As per the agreement, BI was appointed as plaintiff No. 1's commission agent in India for products manufactured by plaintiff No. 1 outside India.
- ❖ As per Clause I (1) of the agreement the said products included Eaton Cutler-Hammer products (For reference see Exhibit A of the agreement).
- ❖ In Clause I (6) of the agreement, Plaintiff No. 1 agreed to supply advertising matter, technical brochures, catalogs and price lists to BI.
- ❖ Clause III (1) of the agreement talks of proprietary rights of plaintiff No. 1 vested in their trademarks/trade names.
- ❖ Relevant clauses in the agreements are Clause I(1), I(6) and III(1).

#### VII. License and Technical Service Agreement 1992-2000

- ❖ Executed between Eaton Limited and BHARTIA CUTLER-HAMMER LIMITED on 11.12.1992.
- ❖ See Defendant's admission: Para 4(a) at Pg. 7 of the Reply.
- ❖ The term of the agreement is 8 years that is from the year 1992 to 2000.
- ❖ The said agreement provides exclusive right and license to manufacture and assemble the various designs of LICENSED PRODUCTS under the KNOW-HOW and TECHNICAL DATA in India.
- ❖ Article VII of the agreement provides for license fee and Royalties. Accordingly, royalties were paid by defendant to plaintiff No. 1.

#### VIII. The Export Agreement 1994-2000

- ❖ Executed between Bhartia Cutler-Hammer Limited and Eaton Corporation on 16.03.1994.
- ❖ Term of the agreement is equal to the term of the License and Technical Service Agreement dated 11th December, 1992 that is till the year 2000.
- ❖ As per the agreement the plaintiff No. 1 was appointed as agent to promote sales of its licensed products manufactured by Bhartia Cutler-Hammer Limited outside India.
- ❖ It was a commercially restricted agreement executed by plaintiff No. 1 to control prices of the products manufactured by Bhartia Cutler-Hammer Limited using plaintiffs know how and technical data.

64. It is not a case of the defendant that they were not aware of proprietorship of plaintiffs over the trademarks in question. Despite acknowledging and admitting the proprietary rights of plaintiffs in the trademark CH and further expressly agreeing

not to apply for registration of the said marks in various agreements executed between the parties, the defendant dishonestly adopted the impugned mark CUTLER HAMMER and applied for registration thereof in the year 1992 under No. 582999. The same is registered by committing fraud on the Registry and making false claim of proprietorship and user thereof. The rectification for removal of impugned trademark from the Register is filed by plaintiff No. 1 on 20th July, 2012 and the same is admitted by Intellectual Property Appellate Board and numbered as ORA/269/2012/TM.DEL. Defendant had no plausible explanation/justification to adopt the marks, CUTLER-HAMMER, BHARTIA CUTLER-HAMMER and CH and/or variants thereof. Even after obtaining registration of the mark "CH (logo)" with the word CONTROL, the defendant was using the mark CH without using the word CONTROL below the logo as appeared from registration obtained by the defendant who has also applied for registration of trademark in various Classes which is similar to plaintiffs' trademark CH.

65. Despite acknowledging and admitting the proprietary rights of plaintiffs over the trademark CUTLER HAMMER and further expressly agreeing not to apply for registration of the said mark in various agreements executed between the parties, the defendant dishonestly adopted the impugned mark CUTLER HAMMER and applied for registration thereof in the year 2003. The plaintiff No. 1 filed notice of opposition opposing registration of the impugned mark subject matter of Application No. 1189782 on/or around 23rd June, 2004 with the Registrar of Trade Marks at New Delhi. The said opposition proceedings are pending.

In the year 2007, defendant made another severe attempt to register identical and/or deceptively similar trademark(s) BHARTIA CUTLER-HAMMER, CUTLER HAMMER and CH and silently filed 21 applications in various Classes with an intention to obtain proprietary rights over the said impugned marks which are identical/deceptively similar to plaintiff's trademarks in disguise. The said applications are pending for registration. Surprisingly, out of 21 applications filed in the year 2007, only one application for registration of trademark CUTLER HAMMER is in relation to goods of defendant's manufacture and sale that is Class 09. Rest of the applications is filed in respect of goods/services not related to defendant's business.

66. As per Clause III of Sales Agreement 1977-1988 the defendant agreed not to claim its rights of ownership in trademarks and trademarks which are property of the plaintiffs and the defendant will not impair plaintiffs' ownership of such trademarks and will not use to indicate in anyway that the defendant is part of the plaintiffs. Similarly, in the License and Technical Service Agreement as per 7.7 of the Agreement, it was agreed that the licensee shall not apply or obtain registration of any trademarks and shall not challenge the validity or contest the right of the proprietor and in the user agreement between 1979-1986 in Clause 7 the defendant recognized the right the trademarks of the owner and the defendant shall not

acquire and shall not claim any title to the said trademarks by virtue of the licence granted to the defendant and user shall at all times have the benefit of the trademark owner.

67. However, the defendant despite of abovementioned stipulations which are of the binding clauses has acted absolutely opposite to the agreements intentionally and deliberately as appeared from its acts and deeds. The details of wrongful act of the defendant are given as under:-

(i) The defendant has claimed the proprietorship right in the Trademarks Registry and placed evidence in order to obtain the registration during the period when the defendant was licensee.

(ii) The defendant has made every effort to impair the trademarks of the plaintiffs.

(iii) The defendant is claiming by giving its indication that the defendant is still part of the plaintiffs which is untrue.

(iv) The defendant applied for registration and obtained registration of logo "CH" knowingly, intentionally and fraudulently which is contrary to clause 7.7 of the Licence and Technical Service Agreement.

(v) The defendant has challenged the registration of the plaintiffs contrary to the agreements despite of recognizing the ownership rights of the plaintiffs. They have claimed their independent rights by acquiring user which is in use to the plaintiff.

(vi) The defendant is claiming independent user in order to become proprietor of the same very trademarks.

68. A mere justification is not enough that as the plaintiffs have not used the trademarks in India, the defendant is entitled to use the same trademarks who can also claim proprietary rights independently as there is delay on the part of the plaintiffs.

69. It is necessary here to discuss the similar aspect which has been dealt with by the Division Bench of this Court and the Supreme Court who have rejected the similar submissions of the defendant in same situation. The judgments are as follow:-

(i) In the case of Velcro Industries v. Velcro India Ltd. 1993 (1) Arb. LR 465, a learned Single Judge of the Bombay High Court (S.N. Variava, J.) rejected a contention made on behalf of the defendants therein that they are entitled to continue use of Velcro as a part of their corporate name because they have independently developed a reputation in India. It was noted that the defendants in that case were merely acting as licensees and even if the agreement between the parties did not provide that on termination of the license, the defendants would cease to use Velcro as a part of their trade name, that would make no difference, since the trademark Velcro is a registered trademark of the plaintiff and to allow the defendants to use it as a part

of their corporate name is to permit them to give an impression to the public that they are still connected with or have a license from the plaintiffs.

## 70. Transborder Reputation

(i) In the case of [N.R. Dongre and Others Vs. Whirlpool Corpn. and Another](#), the appellants got registered the mark "Whirlpool" in respect of washing machines. The Whirlpool Corporation filed a suit for passing off action brought by the respondents to restrain the appellants from manufacturing, selling, advertising or in any way using the trade mark "Whirlpool" of their product. It was held that the passing off an action was maintainable in law even against the registered owner of the trademark. It was held that the name of "Whirlpool" was associated for long with the Whirlpool Corporation and that its trans-border reputation extended to India. It was held that the mark "Whirlpool" gave an indication of the origin of the goods as emanating from or relating to the Whirlpool Corporation. It was held that an injunction was a relief in equity and was based on equitable principles. It was held that the equity required that an injunction be granted in favour of the Whirlpool Corporation. It was held that the refusal of an injunction could cause irreparable injury to the reputation of the Whirlpool Corporation, whereas grant of an injunction would cause no significant injury to the appellants who could sell their washing machines merely by removing a small label bearing the name "Whirlpool".

(ii) In the case of [Milmet Oftho Industries and Others Vs. Allergan Inc.](#), the Apex Court in para 9 and 10 of the judgment held as under:

9. We are in full agreement with what has been laid down by this Court. Whilst considering the possibility of likelihood of deception or confusion, in present times and particularly in the field of medicines, the Courts must also keep in mind the fact that nowadays the field of medicine is of an international character. The Court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the Applicant in India and the user by the overseas company. The Court must ensure that public interest is in no way imperiled. Doctors particularly eminent doctors, medical practitioners and persons or Companies connected with medical field keep abreast of latest developments in medicine and preparations worldwide. Medical literature is freely available in this country. Doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures etc. It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the Respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a

product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be who is first in the market.

10. In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench had relied upon material which prima-facie shows that the Respondents product was advertised before the Appellants entered the field. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench.

(iii) Yet in another landmark judgment by the Supreme Court in the case of [Baker Hughes Ltd. and Another Vs. Hiroo Khushlani and Another](#), dealt with the same aspect and held as under in paras 3 to 6:

3. In 1994 Appellants sold their share in the 2nd Respondent Company and called upon the 2nd Respondent Company to stop use of the name "Baker". As 2nd Respondent refused to delete the name "Baker" from its Corporate name the Appellants filed the suit seeking an injunction against the Respondents from using the name "Baker" as part of their corporate name or in any other manner. In the suit, the learned Single Judge granted an ad-interim injunction restraining the 2nd Respondent from using the name "Baker" as part of their corporate name. The 2nd Respondent-company has also been directed to make an application to the Registrar of Companies for deleting the name "Baker" from its corporate name. In granting the above injunction, the learned Single Judge kept in mind well established principles which govern grant of injunction in an action of passing off. The learned Single Judge held that the Appellants had trans-border reputation and goodwill in the name in India. It was held that use of this name by the Respondents is likely to cause confusion and deception and that the Appellants would suffer damages if the interim relief was not granted.

4. The Division Bench, by the impugned Judgment, has set aside the order of the learned Single Judge and vacated the interim injunction. The main ground on which the interim injunction has been vacated is that the right of the Appellants (herein) under Clause 8.3 of the Agreement dated 21.12.1984 was not enforceable. The Division Bench held that the Agreement had not been placed before the Government of India and was thus illegal and unenforceable.

5. Prima facie, it appears to us that the Division Bench has erroneously interfered with the well reasoned judgment of the learned Single Judge. The application, which had been made by the 1st Respondent to the Government of India, itself shows that the Appellants had a very huge turnover, that they are regularly supplying equipment to parties in India. As per this letter they had reputation in India. At the



interim stage this admission of the 1st Respondent had to be taken note of. The 2nd Respondent-company could thus use the name "baker" only if there was permission, or an Agreement, by which the Appellants permitted them to use the name "Baker". In the absence of any such Agreement or permission the 2nd Respondent would be guilty of passing off its goods as those of the Appellants and an injunction would have to follow on basis of well settled principles governing grant of injunction. It has to be remembered that the goods are identical The Technical Know-how Agreement does not contain any clause which permits user of the name "Baker", nor does the Technical Know-how Agreement contain any provision for grant of a 40% shareholding in the 2nd Respondent-company. These provisions are contained only in the Agreement dated 21st December, 1984. The fact that the 2nd Respondent-company could be incorporated with the name "Baker" as part of its corporate name and the fact that 40% shareholding was given to the Appellants in the 2nd Respondent Company prima facie shows that the Agreement dated 21st December, 1984 was acted upon and accepted even by the 2nd Respondent. The minutes of the Board Meeting held on 3rd September, 1993 also prima facie shows that even on this date the Respondents accepted this Agreement to be binding.

6. The execution of this Agreement is not denied by the Respondents. What has been claimed is that this Agreement was not to be acted upon and/or that as this Agreement was not put before the Government of India, the Agreement was illegal and unenforceable. This argument has found favour with the Division Bench. Prima facie, it appears to us that this is a self defeating argument If the Agreement was not to be acted upon, then there is no right in the 2nd Respondent company to use the name "Baker". In spite of questions from this Court no other permission or licence to use the name "Baker" could be shown to us. If the Agreement is unenforceable then the entire Agreement is unenforceable. In that case the 2nd Respondent has got no right to use the name "Baker". On the reasoning that this Agreement was illegal and unenforceable the interim injunction should have been confirmed. The goods being identical there was likelihood of confusion and/or deception if the Respondents were permitted to carry on using this name.

(iv) In the case of [Daimler Benz Aktiengesellschaft and another Vs. Hybo Hindustan](#), , a learned Single Judge of this Court, while commenting upon the trans-border reputation of trade name "Benz", held as follows:

In my view, 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 worldwide. By no stretch of imagination can it be said that use for any length of time of the name "Benz" should be not objected to.

(v) In *Apple Computer Inc. Vs. Apple Leasing and Industries*, (I.A. No. 7678 of 1989 in Suit No. 2751 of 1989, decided on May 10, 1991) it was held by this Court that in order to prove a prima facie case for grant of interim injunction it was not necessary

for the plaintiff in a passing off action to prove that it was carrying on business in India. For the grant of interim injunction it was enough that the plaintiff had a reputation in India. In that case the principle laid down in Budweiser's case (1984) FSR 413, namely, that unless there was a business activity in the place where passing off was alleged to have taken place, action for passing off could not be maintained, was departed from. It was also recognised that there was a strong trend to prevent deception of the public, whether it was deliberate or innocent. This principle is more relevant to India because there is a greater need to catch up with the more advanced countries in the matter of business enterprises including manufacture of products and services. This can only be possible when a foreign trader has the confidence that its trade mark/name will be safe and will not be imitated. Transfer of technology and collaboration will get a big boost if unfair competition is avoided and nobody is allowed to thrive at somebody else's reputation and goodwill.

(vi) The Madras High Court in [Haw Par Bros. International Ltd. Vs. Tiger Balm Co. \(P\) Ltd. and Others](#) , on review of several decisions of the various Courts agreed with the view taken by this Court on the question of trans-border reputation. In Kamal Trading Co. Vs. Gillette UK Ltd., Middle Sex, England, (1988) 1 PLR 135, the principle laid down by the Budweiser's case was not accepted by a Division Bench of the Bombay High Court. The Bombay High Court expressing its view held as follows:

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 manufacturer is not necessarily limited to the country where the goods are freely available because the goods though not available are 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 Recorder manufactured by National, Sony or other well known Japanese concerns. These televisions and V.C.Rs. 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 or marks does not depend upon its availability in a particular country.

Plea of defendant delay, laches, waiver and acquiesces on part of the plaintiff in bringing the suit for infringement/passing off

71. It is not denied by the defendant that the plaintiffs (including its predecessor) had a business relationship with Defendant since its incorporation in the year 1965. The plaintiffs and their predecessor entered into several agreements with the defendant whereby defendant was given right to use plaintiffs' trademarks subject to certain conditions and limitations.

71.1 It is a matter of record that the last License and Technical Service Agreement with defendant was executed on 11th December, 1992 and had a term of 8 years and expired in the year 2000. This implies that defendant had permission to use the words CUTLER-HAMMER till the year 2000.

71.2 In the year 2004, plaintiff No. 1 filed Notice of Opposition to defendant's application for registration of mark CUTLER-HAMMER bearing No. 1189782 in Class 09. On opposition being filed by the plaintiffs, defendant was put to notice in the year 2004 itself. Any use after the notice being sent to defendant was at its own risk and consequence. Amar Singh Chawla vs. Rajdhani Roller Flour Mills Pvt Ltd., 1990 PTC 220.

71.3 The plaintiff No. 1 opposing registration of the mark CUTLER-HAMMER(Device) subject matter of Application No. 1189782, stopped using the impugned arrangement/marks openly. It was only in the year 2011 at Hanover Fair, Germany plaintiff found that the defendant's goods were being displayed in the fair under the trademark CUTLER-HAMMER and/or

71.4 Thereafter, Plaintiff approached a District Court, Braunschweig, Germany and obtained a relief of temporary injunction on 7th April, 2011 against defendant restraining them to use the trademark CUTLER-HAMMER and/or .

71.5 Thereafter, the defendant vide its letter dated 23rd August, 2011 gave disclosure of information and indemnification of damages to avoid further litigation. Defendant vide its letter dated 23rd August, 2011 accepted the preliminary injunction and admitted that the use of marks by them was an infringing act.

72. It is the case of the plaintiffs that on 19th December, 2011 the defendant's goods under the impugned marks BHARTIA CUTLER-HAMMER and CH (logo) were discovered from the market against a cash memo. Plaintiffs also obtained the price list of defendant's products printed in the year 2011 from one of their distributor and noticed that defendant continued use of the impugned arrangement/marks CUTLER-HAMMER, BHARTIA CUTLER-HAMMER and CH (logo) on their products. Caution notice was published by Plaintiff No. 1 in respect of trademark CUTLER-HAMMER. On 6th January, 2012, Cease & Desist notice was sent by Plaintiff No. 1 to Defendant. On 18th January, 2012, Plaintiff filed suit for infringement and passing off against defendant being CS(OS) No. 156/2012.

73. From the above, it is clear that there has been no acquiescence on part of plaintiffs. As all agreements pertaining to trademark rights executed between the parties had specific clauses pertaining to trademark rights which specify that:

- i. Plaintiff No. 1 and its predecessor is the registered proprietor of the trademarks;
- ii. The defendant cannot claim any right over the said trademarks by virtue of permitted use of trademarks;

iii. The Defendant will not attempt to secure statutory rights in the said trademarks.

74. It is settled law that where there is fraud, there is no room for doctrine of acquiescence to operate. The acquiescence cannot be inferred merely by reason of the fact that the plaintiff has not taken any action against the infringement of its rights. Even if the defendant has been using both the trademarks from the period when the relation between the parties are broken. Is it possible that the defendant would and could take any benefit out of it knowing the said trademarks are belonging to the plaintiffs? Can the defendant in the facts of the present case is entitled to take the defence of estoppel, acquiesces, delay, laches and abandonment of the same trade marks by the plaintiff?

75. This aspect has been dealt with by the Division Bench of this Court in the case of [Rob Mathys India Pvt. Ltd. Vs. Synthes Ag Chur](#) as under:

Estoppel, Acquiescence, delay & laches.

One of the arguments advanced is in regard to plea of the estoppel. One feels that this cannot be a case where estoppel should be applied against all the principles of fair play, equity and goods conscience for the appellant has been using the trademark with the implied consent and permission of the licensee (respondent/plaintiff No. 2 of the plaintiff No. 1). The facts in the case of *Habib Bank Ltd. v. Habib Bank AG Zurich* All ELR 1981, were altogether different. In the said case there was no implied permission for user at all and on account of prolonged user of the trade mark, the Court took the view that the plea of estoppel would apply in that case.

Learned Counsel for the respondent Shri Bose has contended that it was well settled that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights, the essential elements of estoppel are lacking and in such a case the protection of the plaintiff's rights by injunctive relief never is properly denied. The doctrine of estoppel could only be invoked to promote fair dealings. In any event the defense of acquiescence is not available to the defendant/appellant in the instant case for it is well settled that the acquiescence must be such as to lead to the inference of a license sufficient to create a new right in the defendant. The learned Counsel for the respondent relied on *M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationery Products Co.,* (supra) and [Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.,](#) .

In so far as the acquiescence is concerned, the observations of the Supreme Court in *M/s. Power Control Appliances v. Sumeet Machines Pvt. Ltd.* (supra) in paras 26 and 27 are noteworthy. They read as under:

26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or

inaction such as is involved in laches. In *Harcourt v. White Sr.* John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defense as was laid down in *Monsoon (JG) & Co. v. Boehm*, the acquiescence must be such as to lead to the inference of a license sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill*.

27. The law of acquiescence is stated by Cotton, LJ in *Pro torn v. Bannis* as under:

It is necessary that the person who alleges this lying by should have been acting in ignorance of the title of the other man, and that the other man should have known that ignorance and not mentioned his own title.

In the same case Bowen, LJ said:

In order to make out such acquiescence it is necessary to establish that the plaintiff stood by and knowingly allowed the defendants to proceed and to expend money in ignorance of the fact that he had rights and means to assert such rights.

(Emphasis supplied)

Delay implicate in this case is certainly no defense to an action for infringement of a trade mark for the appellants neither claimed to be rivals of respondent No. 1 nor of respondent No. 2 at least and respondent No. 2 also never claimed to be rivals of respondent No. 1. They have been using these trademarks with the permission and consent of respondent No. 1 and not as proprietors. Unchallenged continued assertion of proprietary rights in and use of trademarks is essential to set up defense of acquiescence. But there is no such defense.

Therefore, neither alleged estoppel nor acquiescence nor delay would be an appropriate cause to refuse the injunction prayed for.

The appellant is thus estopped by its conduct and now it cannot be allowed to take an about turn to claim that in these registered as well as unregistered trademarks, the appellant has acquired ownership on the basis of the aforesaid user.

**ABANDONMENT OF TRADE MARK:**

76. Though, there is Section 102 of the Act relating to abandonment, it is confined to abandonment of an application for registration of Trade Mark and it is not applicable to the present situation. Consequently, one has to revert back to common law rules.

However, here, in view of the peculiar circumstances and non-user of the trade mark in India by the respondents and plaintiffs Nos. 1 and 2 themselves, the question of

abandonment is also required to be seen.

Question of abandonment depends on determining the intention to be inferred from the facts of each case. While a mere non-user for a few years may not amount to abandonment of a trademark if referable to accountable facts, a long unexplained non user may suggest an intention to abandon the mark. (See [Whirlpool Co. and Another Vs. N.R. Dongre and Others,](#) ).

However, it may be mentioned that a Division Bench of Calcutta High Court in [M/s. J.N. Nichols \(Vimto\) Limited Vs. Rose and Thistle and another,](#) took the view that where an application for removal of registered trade mark was filed for non-user of the same for a long period, the defense of import ban as special circumstance for the said non-user cannot be granted when other similar product was manufactured and freely sold during that period in spite of the import restriction. Hence the onus has not been discharged by the registered proprietor of trade mark for excusing him from non-user during the prescribed period, preceding the application for removal of registered mark. The existence of special circumstance must affect the trade as a whole and the onus of establishing that the case comes within the ambit of Section 46(3) lies on the registered proprietor of the trade mark. It may be shown that the non-user was due to special circumstance of the trade only and not by reason of some other cause which would have otherwise been inoperative even in the absence of the special circumstances. If the non-user was, in fact, by reason of some other factors apart from the special circumstances, question of a defense u/s 46(3) being made available to the proprietor of the mark does not and cannot arise. A specific case shall have to be made and proved with necessary documentary evidence that the non-user was the direct effect of the existence of the special circumstances. The special circumstances cannot be taken note of as a defense if the non-user is by reason of a voluntary act. This view taken by Calcutta High Court might have helped the proceedings u/s 46 of the Act. But here in this case due to special kind of relationship between the respondents No. 1 and 2 and between respondent No. 2 and the appellant in the trade and there being no intention to abandon or not to use the trade mark in relation to the goods to which the registration of the trade mark related, the appellant even for that purpose is not entitled to claim removal from register of the trade mark the device and word "Synthes" on the ground of alleged non-user. In the present case, the question of abandonment has to be judged in the peculiar set of facts. Here the plaintiff/respondent No. 1 is one who is not indulging in any trading activities not only in India but also outside India. The plaintiff/respondent No. 2 does not have any registration as registered user of the trade marks in India. It is not the case here where the trade mark has not been got renewed by plaintiff/respondent No. 1. It is different thing to look at the situation from the point of view of trafficking in trade marks. But in the face of renewal of the trade mark and allowing the plaintiff/respondent No. 2 to use the same exclusively and further tacitly allowing the appellant to use it, it is difficult rather not possible to say that the trade mark in

this case has been abandoned."

77. In the case of [Morgardshammar India Limited and Others Vs. Morgardshammar AB](#), it was held as under:

43. In so far as the acquiescence is concerned, the observations of the Supreme Court in [Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.](#), in paras 26 and 27 are noteworthy. They read as under:

26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White Sr. John Romilly* said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defense as was laid down in *Monsoon (JG) & Co. v. Boehm*, the acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill*.

The law of acquiescence is stated by Cotton, LJ in *Pro tor vs. Bannis* as under:-

It is necessary that the person who alleges this lying by should have been acting in ignorance of the title of the other man, and that the other man should have known that ignorance and not mentioned his own title.

In the same case Bown, LJ said:

In order to make out such acquiescence it is necessary to establish that the plaintiff stood by and knowingly allowed the defendants to proceed and to expend money in ignorance of the fact that he had rights and means to assert such rights.

(Emphasis supplied)

#### DELAY

78. The defendant has intentionally and deliberately claimed the false user of marks CUTLER-HAMMER/BHARTIA CUTLER-HAMMER and CH from several decades". The defendant has claimed use of the trademark CUTLER HAMMER from the year 1968 and other marks from the year 1977 and has produced on record the Sales figures along with Certificate of Chartered Accountant from the year 1976-2010 are wrong and not substantiated by any documentary evidence. It is the admitted position that during the said period the user of defendant was permissive user. The claiming user being proprietor during the licensing period was fraudulent and dishonest as per settled law.



Even false claims made by defendant as to "advertisement and promotion of products under marks CUTLER-HAMMER/BHARTIA CUTLER-HAMMER and CH from the year 1976-2011". In most of the period, the defendant's user was permissive user.

79. In [Rob Mathys India Pvt. Ltd. Vs. Synthes Ag Chur](#) , this Court echoed the view expressed by the Supreme Court in [Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.](#), to the effect that it is a settled principle of law relating to trademarks that there can be only one mark, one source and one proprietor. A trademark cannot have two origins. It was held that after termination of the collaboration agreement between the parties to that litigation, the appellant therein, not the owner of the trademark, could not use the word "Synthes" or the trademark "AO/ASIF" after revocation of the collaboration agreement.

The Division Bench of this Court in the case of [J.K. Jain and Others Vs. Ziff-Davies Inc.](#), held that an ex licensee, having taken the benefit of an agreement with the licensor is estopped from resisting an application for an injunction by the licensor after termination of the agreement between the parties.

80. In the case of [Hindustan Pencils \(P\) Ltd. Vs. India Stationery Products Co. and Another](#), , in para-31 it was held as under:

31. Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's 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. The defense of laches or inordinate delay is a defense in equity. Inequity both the parties must come to the Court with clean hands. An equitable defense can be put up by a party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot clarify the continued misuse of the usurped right. It was observed by Romer, J. in the matter of an application brought by J.R. Parkington and Co. Ltd., (1946) 63 RPC 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history. In other words, the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that, there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such



adoption of the mark by the party was nothing honest one. The Court would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years. Dealing with this aspect Harry D. Nims in his "The Law of Unfair Competition and Trade Marks", Fourth Edition, Volume Two at page 1282 noted as follows:

Where infringement is deliberate and willful and the defendant acts fraudulently with knowledge that he is violating plaintiff's rights, essential elements of estoppels are lacking and in such a case the protection of plaintiff's rights by injunctive relief never is properly denied. "The doctrine of estoppels can only be invoked to promote fair dealings.

81. In the case of [Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others](#), relevant para-5 of the said judgment is as under:

5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.

82. In the case of [Fedders North American Vs. Show Line and Others](#), decided by Hon'ble Mr. Justice Madan B. Lokur, in the similar facts wherein the defendant claimed the users of the trademark "Fedders" more than 40-50 years. The Hon'ble Court still granted the injunction, inter-alia, on the reasons that it is recurring cause of action and the defendant had no answer how to claim the right of the trademark "Fedders". The defendant cannot be permitted to take advantage of the laws of delays. Both parties know where they stand.

83. None of the cases referred by the defendant is applicable to the facts and circumstances of the present case. The defendant's counsel has failed to refer even a single case in which the injunction has been refused by any Court with similar circumstances. The facts in cases referred are materially different and do not help the case of the defendant.

84. Rather, in case the law with regard to the rightful owner of the trademark and the act of ex-licensee is examined, it emerges that either during the licensing period of agreement or after expiry, it is implicit and clear that the ex-licensee is not entitled to claim the ownership of a trademark nor he is permitted by law to file an application for registration of the trademark in his name nor is entitled to file the petition for rectification of the same very trademarks in which ex-licensee was using the trademarks as a permissive user, otherwise it would amount to fraud and

misrepresentation. The ex-licensee under no circumstances can declare himself as owner of the trademark to claim the concurrent user because as per scheme of the Act, the benefit of concurrent user can be derived by a party whose user is honest and bonafide. In the present case, both things are missing. In other words, he cannot be allowed to make a hole in the plate in which he was eating; such wrongful user would be considered as stolen property which cannot become rightful property in any amount of user.

#### BALANCE OF CONVIENCE IN FAVOUR OF PLAINTIFF

85. Plaintiff No. 1 founded in 1911 and incorporated in Ohio in 1916 is a well known premier diversified fortune 200 industrial company having a manufacturing presence in Australia, Brazil, Canada, China, Costa Rica, Czech Republic, Dominican Republic, France, Germany, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, Monaco, Netherlands, Poland, Puerto Rico, Singapore, South Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, United Kingdom and United States of America and has been selling their products under various well known trademarks.

85.1 Plaintiffs' trademarks CUTLER-HAMMER/CH logo are well known trademarks having extra territorial goodwill and reputation worldwide. Plaintiff No. 1 has trans-border reputation extending to India. The use of identical/deceptively similar trademarks on part of Defendant is bound to confer an undue advantage of reputation and goodwill of plaintiffs' well known marks to the defendant and such use would be detrimental to the well known character and reputation thereof. The plaintiffs are the registered proprietor of trademark CUTLER-HAMMER under No. 164435 in Class 09. Whereas the defendant does not have any statutory right in the trademark CUTLER-HAMMER/BHARTIA CUTLER-HAMMER and its variants.

85.2 The plaintiffs have been using the trademarks worldwide and there is no reason to assume that the same were abandoned. Mere fact that the registrations of few trademarks inadvertently lapsed and then no steps were taken to reinstate the said registration on account of adopting the new version of it, the same is no ground to claim that plaintiffs have abandoned the trademarks.

85.3 The fact that the defendant until the year 2000 has manufactured license products using plaintiffs know how and technical data and for which Defendant has paid royalties as well itself supports that defendant cannot on its own manufacture goods of same engineering standard even if the defendant is using the marks since the year 1986 with the knowledge of the plaintiffs, such user will always be considered as dishonest and fraudulent.

86. The plaintiffs establish a prima facie case for grant of an interim injunction. The balance of convenience is also in favour of the plaintiffs and against the defendant. The plaintiffs shall suffer an irreparable loss and injury to its hard earned goodwill, reputation and business unless the defendant is restrained from continuing with its illegal trade activities during the pendency of the suit.

## RELIEF

87. In view of the above said reasons, the prayer made in the plaintiffs' application being I.A. No. 1204/2012 is allowed. Accordingly, the defendant, its dealers, agents and representatives on its behalf are restrained from using impugned arrangement and/or mark(s) CUTLER-HAMMER, BHARTIA CUTLER-HAMMER, CH(logo) or CH CONTROL or any other mark as may be identical and/or deceptively similar to the plaintiffs' registered trade mark CUTLER-HAMMER under No. 164435 in Class 9 amounting to infringement thereof and also from manufacturing and selling, offering for sale, directly or indirectly dealing in goods included in Class 9 and/or any other cognate or allied goods or the goods of the same description under the impugned arrangement and/or mark(s) CUTLER-HAMMER, BHARTIA CUTLER-HAMMER, CH (logo) or CH CONTROL or any other mark as may be identical and/or deceptively similar to the plaintiffs' trade mark CUTLER-HAMMER and CH (label) and from doing any other act as is likely to cause confusion & deception amounting to passing off their goods and/or business as and for the goods and/or business of the plaintiffs. However, the defendant is granted three months' time to dispose of the existing stock lying with it.

88. With regard to the defendant's application being I.A. No. 4318/2012 filed in CS(OS) No. 575/2012, the same is dismissed being not maintainable in view of the facts and circumstances of the present case as well as under the statute provisions of Section 142 of the Trade Marks Act, 1999 as the plaintiff No. 1 who is the proprietor of the trademarks with due diligence has commenced the action against the defendant.

89. It is made clarified that the findings arrived in this order are tentative and shall not come in the way when the matters would be decided after trial.

90. The defendant is also burdened with cost of Rs. 1 lac which shall be deposited by the defendant with the Prime Minister's Relief Fund within four weeks from today.

91. Both I.A. Nos. 1204/2012 & 4318/2012 are disposed of. List the matters on 23rd August, 2013 before the roster Bench for further proceedings.