(1999) 09 CAL CK 0006

Calcutta High Court

Case No: G.A. No. 1637 of 1999 and C.S. No. 236 of 1999

Honda Motor Company Limited		APPELLANT
	Vs	
Kewal Brothers and Another		RESPONDENT

Date of Decision: Sept. 9, 1999

Acts Referred:

- Civil Procedure Code, 1908 (CPC) - Order 39 Rule 1, Order 39 Rule 2
- Trade and Merchandise Marks Act, 1958 - Section 28, 30

Citation: (2002) 25 PTC 763

Hon'ble Judges: Sen Gupta, J

Bench: Single Bench

Advocate: Biswarup Gupta and Aniruddha Bose, for the Appellant;Goutam Chakraborty, Senior Advocate, for the Respondent

Judgement

Sen Gupta, J.
In this Motion question is whether ad interim order of injunction already granted in favour of the plaintiff is to be confirmed or vacated or otherwise be modified or not. This Motion is opposed by the defendants.

2. The motion is arising out of a suit which is an action against infringement of trademark coupled with passing off against the defendants. Plaintiff/petitioner claims to be a renowned reputed manufacturer and seller of automobiles under the trade name ''Honda''. This Honda mark was registered in Japan in 1948. By reason of the excellence of its products, advertisements and media expositions the reputation of this trademark travelled beyond its Japan border and to all places over the world including India. In substances this mark of the plaintiff has transborder reputation. This mark ''Honda'' was got registered by the plaintiff in various countries in the world. It is claimed in the petition that since 1957 mark ''Honda'' has been present in India and thereafter from time to time they have also entered into various collaboration agreements such as Hero Honda for motor cycles and Honda Siel

Power Products Ltd. for manufacturing generators. The products of Honda were imported in India as early as 1950s and 1960s. In India in 1961 the ''Honda'' trademark has been registered in class 12 (for motor cycles/motor scooters etc. including parts and fittings thereof). It also registered its mark ''Honda'' for internal combustion engines not meant for land vehicles in 1964. There are two other registrations in favour of the plaintiff which have also been granted in the same name in 1982 and 1984 respectively for generators/pumps etc. in class 7 and for vehicles, apparatus for locomotion. It is claimed in the petition that the plaintiff on or about August 1998 for the first time came to know that the defendants were selling auto lamps and auto bulbs using the aforesaid trademark ''Honda''. Immediately thereafter a notice was served upon the defendants calling upon them to desist from using such mark. Upon enquiry and investigation it revealed that the aforesaid mark ''Honda'' got to be registered by the defendants in class 11 in respect of lamps and bulbs. Such registration of the mark ''Honda'' in favour of the defendants is wrongful and illegal. The use of the mark ''Honda'' by the defendants is deceitful and infringing of the mark of the plaintiff. The defendants, use of the mark ''Honda'' is also wrongful passing off.

3. Mr. Biswarup Gupta, learned Senior Counsel with Mr. Aniruddha Bose, learned Counsel, elaborating and highlighting the factual aspect of the petition submits that the present action is founded on the principles of passing off and infringement of the plaintiffs trademark ''Honda''. The registration of the plaintiff covers motorcycles, motor scooters, trucks, motor cars, motor tricycles, bicycles and parts thereof and fittings therefore. The Fourth Schedule to the Trade and Merchandise Marks Act, which contains the classification list specifically provides - "Parts of an article or apparatus are, in general, classified with the actual article or apparatus, except where such parts constitute article included in other classes." The defendants, however, are using the mark ''Honda'' in respect of auto lamps and describing their product as such.

4. He submits further that Lamps and auto lamps are to be treated as different items, auto lamps constitute parts of a car which has no other independent use. In support of his submission he relies on a decision reported in JT 1999 (3) 404 (Nirula ''s Corner House Pvt. Ltd. v. Collector of Customs, Bombay). Applying the test in Nirula''s case he argues auto lamps and auto bulbs are parts of cars.

5. He also draws my attention to the Visual Dictionary which according to him shows auto lamps are part and parcel of the car. Therefore, he argues the use of the mark ''Honda'' by the defendants in respect of auto lamps constitute infringement of plaintiffs registered trademark. In other words, the defendants are not making or selling the articles or goods for which they have registered in class 11 of the Schedule IV. Therefore, the protection u/s 28(3) of the Trade and Merchandise Marks Act, 1958 is not available at the present moment.

6. He argues on the question of passing off the plaintiff acquired goodwill and reputation in large number of countries in the world including India. Such goodwill and reputation has accrued on account of extensive use of the mark ''Honda'' internationally, which has a spill over effect on the Indian shores and has substantial use of the mark in India as well. The relevant date for judging of passing off would be the date of first use by the defendant. The document disclosed by the defendants shows their first use of the mark was on 18th December, 1971. The plaintiff has been using this mark long before wrongful user of the defendants. Such user of plaintiff would appear from advertisement and further export of Honda motor cycles and cars in India. By 1971, the mark ''Honda'' had acquired significant goodwill and reputation internationally. Such reputation had reached Indian shores. By 1964, the plaintiff had started exporting Honda motor cycles in India in a major way. There had been advertisements in several international journals, vis., National Geographic - 1971 April issue. Alternatively, he argues that use in India is not a condition precedent for sustaining a passing off action. Substantial goodwill in the international market can create protectable interest in the plaintiffs mark in India. In support of his submission he relies on the following decisions :
(i) N.R. Dongre and Others Vs. Whirlpool Corporation and Another,

(ii) N.R. Dongre and Others Vs. Whirlpool Corpn. and Another,

(iii) Calvin Klein Inc. v. International Apparel Syndicate and Ors. 1995 FSR 515 at page 523, and

(iv) Allergan Inc Vs. Milment Oftho Industries and Others,

7. Mr. Gupta citing and relying on a decision of Division Bench of this Court in case of M/s. J.N. Nichols (Vimto) Limited Vs. Rose and Thistle and another, , argues that advertisements can constitute use of a mark in India. He reminds me of the principle for deciding a passing off action saying prior use of the mark is the criteria irrespective live of registration under the statute. He draws my attention to the relevant paragraphs of the aforesaid two cases viz., Allergan Inc. v. Milmet Oftho Industries and Calvin Klein Inc. v. International Apparel Syndicate and Ors, : 1999 (19) PTC 160 (Cal)(DB). He submits undisputedly in this case plaintiff has used this mark globally, as well as in India, first.

8. He argues further that in a passing off action, the competing goods need not be identical. On this question he relies on a decision of an English Case reported in (15) 1898 RFC 105, at page 110, lines 20 to 25 (The Eastman Photographic Materials Company Ltd. and Anr. v. The John Griffiths Cycle Corporation Ltd. and Anr.). He submits that the defendants a using an identical mark in respect of auto lamp, which come within the natural area of the plaintiffs business. These are also directly relatable goods, as the car owners only would use auto lamps, and there was intimate connection between these good of the plaintiff and the defendants.

9. He further says that in the event the mark being copied is a globally known mark, it is immaterial if the goods are different.

10. He also argues that the defendants have failed to just their adoption of the aforesaid mark ''Honda''. No explanation been given as to why such mark has been adopted relinquishing their original mark. In absence of plausible explanation the mala fide user of the mark ''Honda'' by the defendant is irresistibly concluded. He argues once the deception and confusion amongst the consumers is established the injunction in case of passing off action automatically follows. In support of his submission he relies on a decision of the Bombay High Court in case of Bajaj Electricals Limited Vs. Metals and Allied Products and Another, . While granting order of injunction Court need not find out in case of passing off action, as to whether the plaintiff has suffered damages or not.

11. On the question of delay or acquiescence Mr. Gupta explains that there is no delay or acquiescence inasmuch as after having come to know for the first time in the month of August 1998 the plaintiff initiated action by serving protest and/or desist notice and applying for correction and rectification and/or expunging of the mark of the defendant followed by the instant suit.

12. He also argues that the plaintiff has taken action against all the traders who have like defendants wrongfully adopted the mark of the plaintiff.

13. Mr. Gupta argues registration of the copyright of the aforesaid mark ''Honda'' in favour of the defendant does not give any protectable right and/or interest in case of infringement as well as passing off action.

14. Mr. Gupta lastly argues on the question of jurisdiction it has been pleaded in the plaint that the defendant''s goods are sold and advertized both within and outside jurisdiction of this Hon''ble Court. In any event, no application has been taken out by the defendants for revocation of Leave granted by this Hon''ble Court under Clause 12 of the Letters Patent. Since part of cause of action has arisen within the jurisdiction of this Hon''ble Court it has jurisdiction after granting leave under Clause 12 of the Letters Patent.

15. Mr. Goutam Chakraborty, learned Senior Advocate, appearing on behalf of the defendants, opposes this action saying in this case there is no question of infringement of trademark as the defendant''s trademark is registered and the defendant is entitled to have statutory protection. Moreover, factually there cannot be any infringement as the defendant''s product is registered in class 11 in respect of automobile bulbs and automobile lamps, whereas the plaintiffs registration in India is in class 12. Besides, the defendant''s product is marketed and sold in packaging with the writing "Honda Superior Quality of Auto Lamps" manufactured by "Kewal Brothers". Admittedly the plaintiff does not manufacture any bulb. So, there is no question of deception in selling and marketing the defendant''s product amongst public at large.

16. The defendants applied for registration in 1970 and since then the defendants have been using the aforesaid trade-mark. The plaintiff despite having its trademark attorney in India (De Pening and De Pening) did not file any objection to such registration and nor any objection raised at any point of time and by this process it allowed the defendants to use the aforesaid trademark for about 29 years. So, it is unbelievable that the plaintiff was ignorant of the registration and user of the mark ''Honda'' by the defendants in till 1998. The defendants have also copyright registration for artistic packaging of the word "Honda". The defendants have adopted this mark "Honda" bona fide not with intention to imitate the mark of plaintiff. The defendants procured machinery for manufacturing of lamps and bulbs from Japan and for this purpose the defendants have established contact with the Japanese manufacturer M/s. Honda Jaga Buchi & Co, in 1970. The owner of the aforesaid Japanese company Mr. Fujio Honda had extended a lot of help to the defendants and as a token of gratitude, the defendants adopted the trademark ''Honda'' in respect of its product viz., lamps and bulbs.

17. Mr. Chakraborty argues that not a single scrap of document has been shown by the plaintiff as to its use of Honda trademark in 1970. The defendants since 1970 have been advertising its aforesaid mark and have expanded sale and such sale has been increased over the years. Gradually by this process the defendant have developed its market. No objection was even raised.

18. As far as passing off is concerned, Mr. Chakraborty, argues that the plaintiff has failed to establish prima facie the essential characteristics of a passing off action as it has been enunciated by Lord Diplock in a Case reported in 1980 RPC 31. The essential characteristics are misrepresentation made by a person in course of trade to prospective customers of his or ultimate consumer of goods ; such act of misrepresentation is calculated to injure the business or goodwill of another ; such action of pass ing off causes actual damage to a business or goodwill of the trader by whom the action is brought. Mr. Chakraborty relies on a passage, viz., Article 25.13 of Narayanan Trademark and Passing off and also relies on a judgment reported in 1980 RFC 31 at page 93 delivered by House of Lords. Mr. Chakraborty argues that while determining the question of passing off it has to be examined whether the plaintiff and established necessary goodwill and reputation of its products in the year 1970 when the defendants adopted the trademark ''Honda''. In this connection he relies on a decision reported in 1981 RFC 429 at page 494. So, the plaintiff has to establish that it had reputation in connection with its business in the year 1970 not in relation to the year 1999. He argues in the year 1970 the plaintiff was absolutely unknown in India. So, in order of time the defendants are the senior user of trademark ''Honda'' to that of plaintiff. In support of his submission he relies on discussions of Wadlow on the Law of Passing off, Article No. 7.18.

19. Mr. Chakraborty further argues that there is a question of acquiescence of the plaintiff in use of trademark ''Honda'' of the defendants''. No action has been taken

since 1970 till 1998. He also argues the plaintiff has made untrue statement on oath as in its own petition it will appear that its attorney could not apply in 1961 as there was no market. In case of granting order of injunction acquiescence is also a factor to be taken into account. In support of his submission he relies on decisions reported in Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., and Allergan Inc Vs. Milment Oftho Industries and Others, He also relies on Sections 19 to 29 of the Trade and Merchandise Marks Act, 1958.

20. Mr. Chakraborty also distinguishes the judgments cited by Mr. Gupta saying those judgments do not apply in this case as factually are on different footing.

21. He urges in cases of honest concurrent user, neither of the owners of the mark could be restrained. He relies on decision in this connection reported in GE Tm (1972) 8 All E R 507.

22. He argues that no motor car manufacturer produces electrical fittings. Therefore, the registration of the plaintiff did not include bulbs and lamps.

23. I have heard the respective submissions of the learned Counsels and having gone through the materials placed before me, it appears to me the following are the admitted position.

24. The plaintiff/petitioner is the manufacturer of amongst other automobiles and auto generators. The plaintiff docs not manufacture neither bulb nor auto bulb or auto lamp or lamp. The defendants are the manufacturer of auto lamps and bulbs. Admitted the mark which is used by both the parties is "Honda". Both the plaintiff and defendants have got registration in India under the Trade and Merchandise Marks Act, 1958. Their registrations are subsisting till today though the plaintiff has applied for cancellation of the defendants'' mark in the year 1998. The defendants got the aforesaid trademark registered in about 24th November, 1970 in class 11 in respect of lamp and bulbs. In 1998 the plaintiff for the first time protested the defendants against their use of mark ''Honda'' through its attorney. The plaintiff got its registration of the aforesaid mark ''Honda'' in India in 1961 in class 12 (for motor cycles/motor scooters etc. including parts and fittings thereof). This registration is also valid and subsisting. Mr. Gupta submits that the defendants have infringed trademark ''Honda'' inasmuch as the auto lamp cannot be registered in class 11 nor it can be treated as lamp and bulb either. The said auto lamp which is being manufactured by the defendants is parts and fittings of automobiles, so it should fall within class 12. The defendants admittedly have no registration in class. 12. Therefore, there is an infringement and I should confirm the interim order which has been passed. I am unable to accept submission of Mr. Gupta firstly because if there is any mistake in classification of any product that mistake has to be rectified and/or corrected by the authority concerned. Until and unless such rectification is effected by the appropriate authority, this Court is bound to accept the registration of the defendants'' product in class 11 as valid and subsisting. Therefore, as on

today the defendants are registered owner of the mark in relation to its product classified in class 11 and such registration is valid and subsisting. So the defendants are entitled to get statutory protection under Sections 28 and 30 of the Trade and Merchandise Marks Act, 1958. Since an application has been made by the plaintiff for cancellation of the mark of the defendants, it would not be proper for me to express any opinion whether the defendants'' product has been correctly classified in class 11 or not. I should not decide whether the products of the defendants being auto lamp should have been classified in class 12 meaning thereby the defendants'' registration is overlapping plaintiffs. It would not be proper for me at this stage to decide whether auto lamp or auto bulb should be part and parcel of automobiles. Though Mr. Gupta has relied on the judgment of the Supreme Court reported in M/s. Nirulas Corner House Pvt. Ltd. Vs. Collector of Customs Bombay, on this point to hold that auto lamp is a part and parcel of automobiles. I do not with to consider the same because of the pendency of the application for cancellation of the ''Mark'' of the defendants. In my view, as long as the registration of the defendants is not cancelled and it remains valid the question of infringement does not arise because of Sections 28 and 30 of the Trade and Merchandise Marks Act. It is an admitted position that the plaintiff/petitioner does not manufacture auto lamp or auto bulb. Therefore, in the circumstances as above question of infringement does not arise. It would be suffice for the time being to refuse injunction on the plea of infringement. In this case the defendants have been, upon registration bona fide concurrently using the said mark ''Honda'' since 1970.

25. Now coming to the question of passing off, at the outset I record that at the Bar from both the sides it is not disputed that in order to succeed in passing off action plaintiff is to establish goodwill and reputation of its ''mark''. Mr. Gupta wants me to hold in this case since the plaintiff has acquired international goodwill and reputation it has protectable interest in India. His argument is based on decisions rendered in case of N.R. Dongre and Others Vs. Whirlpool Corporation and Another, and N.R. Dongre and Others Vs. Whirlpool Corpn. and Another, and Allergan Inc Vs. Milment Oftho Industries and Others,

26. After careful consideration of the above-mentioned cases cited by Mr. Gupta it appears to me those decisions were rendered on different fact from the present one.

27. In N.R. Dongre v. Whirlpool case the competing product was same. The product was washing machine in that case. It is quite natural in case of same and closely associated product confusion or deception may arise in the mind of the consumer and/or buyer. In such a case transborder reputation and goodwill may have protectable interest in another country where the plaintiff may not have any factual sale or use by advertisement.

28. Similarly, in case of Calvin Klein Inc. Case there was identity of product so it was found by the learned Judge that there was possibility of deception and confusion.

29. Similar was the situation in case of Allergan Inc. case wherein competing product was pharmaceutical eye care product and incidentally the product was same.

30. The decision rendered in M/s. J.N. Nichols (Vimto) Limited Vs. Rose and Thistle and another, pronounced one of the facets of passing off and that too was in identical competing product.

31. However, in Kodak''s case was not decided on identical product but it appears from the fact the product camera was so closely reputed and/or used in market and as well as by the buyer and/or consumer that it was accepted camera is part and parcel of the bicycle as special camera was manufactured as a fitting to bicycle. Factually in that case plaintiff had the registration of Kodak for manufacturing bicycle also.

32. In the case of Daimler Benz Aktiegesellschaft and another Vs. Hybo Hindustan, the learned Single Judge of Delhi High Court has not laid down any principle of law that can be accepted or followed as binding precedent, though factually injunction was granted in passing off action where competing goods were different. I am unable to follow the above judgment and in fact I respectfully disagree with the learned Judge of his observation specially when I find a Bench decision of this Court in case of Rustom Ali Molla and Others Vs. Bata Shoe Co. Ltd., on this point. In that case interlocutory injunction was vacated as the competing goods were different. In paragraph 17 of the judgment Their Lordships following observation of Lord Watson in case of (1887) 12 AS 453 at 457(B) reiterated that the acquisition of an exclusive right to a mark or name in connection with a particular article of commerce cannot entitle the owner of that right to prohibit the use of others of such mark or name in connection with goods of a totally different character, and that such use by others can as little interfere with his acquisition of the right. I have come across plethora of English decisions where passing off action was dismissed and/or injunction refused in case of different goods.

33. In case of Lucas v. Fabry (1906) 23 RFC 33 the plaintiffs being manufacturers of cycle and motor accessories out not motor tyres brought action against the defendants for manufacturing and marketing tyres known as ''Lucas''. The passing off action was dismissed.

34. Similar was the situation in case of Thomas Bean v. Prayag Narain (1941) 58 RFC 25 where the plaintiffs passing off action was repelled as the plaintiffs used mark red elephant for smoking tobaco while the defendants used the device of an elephant for chewing tobaco, as there was no evidence of confusion.

35. Upon reading of all those plethora of decisions, it appears to me the real test is as to whether by using the mark there would be any confusion and/or deception in the mind of the public buyer or not.

36. In this case in my view there is hardly any scope for deception and/or confusion as the plaintiffs product is motor car and motor cycle and other automobile machines. It does not appear to me that the plaintiff at any point of time either manufactured or used or advertised their mark ''Honda'' for trading auto lamp or auto bulb. So there cannot be any idea in the mind of the public buyer the plaintiff has the product of auto lamp or auto bulb so much so it can create confusion.

37. Both Mr. Gupta and Mr. Chakraborty very fairly agree to one point and I also accept that the relevant date for determining question of passing off is the date of commencement of adoption of the mark by the defendant and this has been really settled and decided by decision of the Judicial Committe of the Privy Council in case of Cadbury Schweppes Pty. Ltd. v. The Pub Squash Co. Ltd. 1981 RFC 429 at page 494.

38. It appears from the affidavit-in-opposition that the defendant has adopted the mark ''Honda'' in or about 24th November, 1970 when the defendant applied for registration and since then it appears to me the defendants openly, and to the notice and knowledge of all persons concerned have been using the said mark. I find from the affidavit-in-opposition several bills of sale of the defendants'' products from 1973 till 1998 wherefrom it shows that the defendants have traded the same. Since then the plaintiff did not take any action. On that date it has to be ascertained whether the plaintiff has established any reputation in India by advertisement (sic). Apart from a solitary document, viz., an advertisement in National Geographic - 1971 April issue I do not find any material that the plaintiff had established its wide reputation and goodwill in India. In true sense it appears to me the defendant is the senior user of the said mark ''Honda'' in respect of auto lamp and auto bulb in India as the mark was adopted in 1970. I accept the argument of Mr. Chakraborty that the date for deter mining whether the plaintiff has established the necessary goodwill and reputation of its product is the date of commencement of the conduct complained of. The said legal principle has been settled in a decision of House of Lords reported in 1981 RFC 429 at page 494. The most important for determining the case of passing off the position of the parties as in 1970 should be taken into account. As I have already indicated that in the year 1970 the plaintiff herein has not been able to show prima facie that it has established reputation and goodwill by advertisement or otherwise in India, the present reputation of the plaintiff is not the criteria and it would be of no use.

39. The trademark ''Honda'' was adopted by the defendants in any event honestly and bona fide and I am prima facie satisfied that the defendants did so and it appears from their explanation of the adoption of mark ''Honda''. I am also satisfied prima facie from the materials placed before me when the defendants adopted the mark ''Honda'' the plaintiff was not known in India as far as their product under the mark ''Honda'' is concerned. It has been established prima facie is that the defendant is senior user of the mark ''Honda'' in respect of auto lamp and auto bulb.

They cannot be prevented from using this mark.

40. Another important aspect and/or factor is to Judge the case of passing off whether the defendants have adopted the trademark with an intention of trading upon the reputation of the plaintiff meaning thereby whether there is an misrepresentation or not. As I have already held that the use of the mark by the defendants are bona fide and concurrent and from the explanation it appears to me that there is no deception and/or misrepresentation.

41. Another aspect has also to be looked into in case of passing off action whether the defendants have caused any actual damage to business or goodwill of the plaintiff or not. In this case the plaintiff has not been able to satisfy me that it has suffered any actual damage and in fact there is no scope for the plaintiff suffering with actual damage. In a decision of the House of Lords reported in 1980 RFC 509 it has been held that in a passing off action one has to establish the following essential characteristics :

" (1) misrepresentation, (2) made by a person in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damages to a business or goodwill of the trader by whom the action is brought."

42. In my considered view and opinion that the plaintiff has not come out successful in the aforesaid tests.

43. The delay and/or acquiescence is a very important factor in a case of passing off action while deciding at the interlocutory stage. The Supreme Court in a case reported in Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., and a Calcutta case reported in Allergan Inc Vs. Milment Oftho Industries and Others, it has been decided the aforesaid proposition. The Supreme Court in the case reported in Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., held that acquiescence in the case of infringement and passing off action amounts to consent. Whether there in any acquiescence in real sense or not has to be decided at the time of trial. Prima facie I am of the view the plaintiff/petitioner has sat by notwithstanding the defendants use of same mark for about 28 years, this inaction for a long period in my view tantamount given giving consent. It is significant that from the year 1971 up to 1998 no explanation is forthcoming as to why the plaintiff did not take any action. Moreover, it appears that the defendants are not the only user the trademark ''Honda'' in India. There are number of persons who are also using the said trademark. Admittedly up till now the aforesaid users are not brought to book by the plaintiff/petitioner. Because of delay I prima facie draw conclusion that the said mark ''Honda'' has become publici juris.

44. On the aforesaid facts and reasoning, I am of the view that at this stage the injunction which has been passed against the defendants should not be allowed to continue since the defendant has been using the aforesaid mark for about last 28 years as such the interim order is vacated, however, the defendants shall keep an accounts of the monthly sale and shall forward the copies of such statement of sale of the plaintiffs learned Advocate on record like the disposal of the suit. In default thereof the interim order already passed will revive. The hearing of the suit is expedited. The defendants waive service of writ of summons. The defendants are to file written statements within four weeks from date. Cross order for discovery within fortnight thereafter, inspection forthwith. The suit will appear in the appropriate list for hearing within three weeks from the date. I completion of the inspection.

45. There will be no order as to costs.

46. Operation of this judgment and order will remain stayed for a period of fortnight.

47. All parties are to act on the signed copy of the operation portion of this judgment.