

(2008) 12 DEL CK 0131

Delhi High Court

Case No: IA No. 9707 of 2008 in CS (OS) 1690 of 2008

Ford Motor Company of Canada
Limited and Another

APPELLANT

Vs

Ford Service Centre

RESPONDENT

Date of Decision: Dec. 11, 2008

Acts Referred:

- Trade and Merchandise Marks Act, 1958 - Section 9
- Trade Marks Act, 1999 - Section 11(6), 2, 2(1), 29(2), 29(5)

Citation: (2009) 39 PTC 149

Hon'ble Judges: Rajiv Sahai Endlaw, J

Bench: Single Bench

Advocate: Pravin Anand, Sagar Chandra and Abhilasha Kumbhat, for the Appellant;
Sanant Kumar, for the Respondent

Judgement

Rajiv Sahai Endlaw, J.

The plaintiffs in this suit for permanent injunction to restrain the defendant from using the trade mark FORD of the plaintiffs and for the reliefs of delivery, rendition of accounts etc has sought interim relief during the pendency of the suit, so restraining the defendant. The defendant is carrying on business in the name and style of M/s Ford Service Centre. It is the averment in the plaint that the defendant is engaged in the business of automobile industry and in particular servicing of cars; that the plaintiffs learnt of the defendant using the plaintiffs' trade mark FORD in the month of May, 2007; that the plaintiffs addressed a notice dated 6th June, 2007 asking the defendant to discontinue such use; that the defendant vide reply dated 24th July, 2007 refused to comply with the legal notice, leading to the filing of the present suit. It is the case of the plaintiffs that the plaintiff No. 1 Ford Motor Company of Canada Limited is the registered owner of the trademark FORD relating to various automobile components falling in class 7, enamels in nature of paint in class 2, shock absorber fluid, hydraulic brake fluid, lubricating oil, greases also in

class 2, locks for spare tyres, ignition, doors etc all related to vehicles or for horological instruments in class 6, goods in class 9, other vehicle components in class 11 and class 7, tractors etc in class 12, goods in class 11, grease retainers of rubber, gaskets, water pump etc in class 17 and vehicles, apparatus for locomotion by land, air or water and parts thereof falling in class 12, in India. It is further the contention of the plaintiffs that the plaintiff No. 1 has had a long association in this country and the trademark FORD is a well recognized trademark, the reputation and goodwill whereof travels across territories.

2. It is further the case of the plaintiffs that the use of the name FORD by the defendant amounts to the infringement of the statutory rights of the plaintiffs and is likely to lead to confusion and deception in the minds of the consumers and members of the trade as they would be misled to believe that the goods and services offered by the defendant belong to the plaintiff or have some connection, nexus or association, endorsement or affiliation with the plaintiffs. The plaintiffs in para 33 of the plaint has further stated that the defendant appears to be engaged in the servicing of the Ford Car as well as other cars and is using the name FORD as part of its trade name and which would lead consumers into believing that the defendant is the authorized service agent of the plaintiffs and or that the defendant has been authorized/licensed to service the cars of the plaintiffs.

3. The defendant has contested the suit by filing the written statement. It is denied that the word FORD has been invented and conceived by the plaintiffs. It is contended that the word FORD is not a coined name and has a dictionary meaning of "a place where a river or other body of water is shallow enough to be crossed by wading." The defendant claims to have bona fide and honestly adopted the said name in the course of trade and not with the intention to infringe upon the goodwill and reputation of the plaintiffs. The defendant claims to be carrying on business in the name and style of Ford Service Centre since the year 1981 and has filed before this Court the documents in support of the same. It has been argued that on the date of adoption of the said trade name by the defendant, the plaintiffs had no existence in India and thus the plaintiffs cannot allege that the defendant has copied the plaintiffs' trade mark. The claim of the plaintiffs is also sought to be defeated on the ground of inordinate laches and acquiescence. It is further argued that the plaintiffs never found themselves hurt by use of the trade mark by the defendant. The claim of the plaintiffs is further contested by contending that the registration of the trade mark FORD of the plaintiffs does not extend to the business of selling of petroleum products as carried on by the defendant. It is also urged that the trade mark FORD was adopted by M/s Ford Meter Box company running business of water meter since 1898 having 400 distributors around the world and another company in the name of Ford Graphics also exists since 1960. It is so pleaded that since the plaintiffs are engaged in the business of automobiles and the defendant is engaged in the business of running a petrol pump, there is no similarity in the business of both the parties which can create any confusion in the

minds of the people.

4. The counsel for the defendant on the commencement of the hearing also stated that the defendant was willing to give an undertaking to this Court that the defendant is not and will not carry on business in the name and style of Ford Service Centre of servicing of vehicles and will carry on business under the said name and style only of vending of petrol and diesel and for which the defendant has an agreement with IBP. In this regard it may be stated that no ex parte interim relief was granted to the plaintiffs upon institution of the suit even though it was felt that the plaintiffs have made out a case for grant of the same, owing to it being borne out from the documents filed by the plaintiffs that the defendant is retailing petrol/diesel of IBP under the name and style Ford Service Centre and it being felt that if the defendant is restrained ex parte, the same may interfere with the agreement/arrangement in the name of Ford Service Centre of the defendant with IBP and may lead to closure of the outlet of petrol/diesel causing inconvenience to the ultimate consumers.

5. The proposal aforesaid of the counsel for the defendant is not acceptable to the counsel for the plaintiffs. The counsel for the plaintiffs, besides the pleadings in the plaint as to the aforesaid trade mark, has also relied upon an order dated 9th July, 2008 of the Deputy Registrar of Trade Marks in an opposition proceedings between the plaintiffs and another party in which it has, inter alia, been held that the trade mark FORD is a well known trade mark within the meaning of Sections 2(1)(z)(g) and 11(6) of the Trade Marks Act, 1999. Besides the classes mentioned in the plaint in which the said trade mark is registered, during the course of hearing, it was argued that the said trade mark is also registered in class 37 with respect to the repair, maintenance and service of vehicles. Reliance is also placed upon the philanthropic activities being carried on in the name and style of the Ford Foundation which was established in India as far back as in 1952. Reference was made to dictionaries of English language wherein also FORD has been recognized as a brand. From the documents it was shown that the plaintiffs have 96 service outlets and 45 dealers in India and most of which have the word FORD attached to their trade names vis Capital Ford, Ganges Ford, Bhagat Ford, Harpreet Ford etc. It was argued that the defendant has not offered any explanation as to why it had adopted the mark FORD and the dictionary meaning of the word FORD relied upon by the defendant was stated to be having no connection/relevance to the business for which the impugned trade name was being used by the defendant. It was argued that the two instances of others using the word FORD were not of this country but of USA and were cases of people whose name/surname was FORD; FORD is not a surname or name in India. It was also urged that the defendant cannot rely on 3rd party's using the said name.

6. Per contra, the counsel for the defendant has argued that the entire case of the plaintiff was based on the premise that the defendant was engaged in the business

of servicing of vehicles and there was no averment in the plaint in relation to the business of vending of petrol/diesel. It was thus urged that upon the defendant being willing to give an undertaking that it shall not carry on the business of servicing of vehicles in the said trade name/style and will only carry on the business of vending of petrol/diesel thereunder, the basis of the case of the plaintiff falls and the plaintiff cannot be entitled to any interim relief. It was also argued that not only because of the difference in the businesses being carried on by the plaintiffs and the defendant but also because of the nature of the business activities of the defendant, there is no likelihood of the plaintiffs suffering any prejudice if the defendant was permitted to carry on the business of vending of petrol/diesel in the name and style of Ford Service Centre. It was urged that buyers of petrol/diesel are not attracted to the filling stations by its name but only by location. It was further argued that the trade name FORD of the plaintiffs was always associated with Oval Logo of the plaintiffs and which the defendant was not using and for which reason also there is no likelihood of any confusion. It was lastly urged that the use by the defendant of the trademark of the plaintiffs was not as a trade mark but as a trade name and to which situation only Section 29(5) of the Act was attracted and which covers only the goods or services in which the trade mark is registered and not the other goods and services. On the plea in the written statement of latches and acquiescence reliance was placed on Intel Corporation v. Anil Hada 2006 VIII AD (Delhi) 841 where a Single Judge of this Court denied interim relief on such ground. The counsel for the defendant relying upon observations in para 13 of Ajanta Manufacturing Limited v. Ajanta India Limited 2008 (38) PTC 83 (Delhi) also offered that it was open to the court to circumscribe the user of a trade mark by the other party in a manner which ensures that the trade name is not used by the other party with the objective of causing confusion. The defendant offered that it was willing to be bound by any such restrictions as may be placed by this Court. On inquiry as to what prejudice would be caused to the defendant if the defendant was restrained from using the name Ford Service Centre in connection with its business of vending of petrol/diesel, since it was the case of the defendant itself that its customers were not attracted to it by its name, it was stated that the defendant will have to seek change in a large number of government departments with which it was registered and or from which it had permission for carrying on its business aforesaid and all of which will be at a huge cost.

7. In the face of the registration of the trademark FORD of the plaintiffs in the class relating to motor vehicle repair and maintenance service falling in class 37, it cannot be disputed that the trade name Ford Service Centre being used by the defendant infringes the trade mark of the plaintiffs in the said class. Even though the defendant has stated that it is not and shall not carry on the business of motor repairing and servicing but the same is not to be known to the others. Any passerby motorist reading the board of Ford Service Centre prominently displayed by the defendant at its filling station on NH-8 and as is evident from the photograph filed

by the plaintiffs is likely to form an opinion that the said premises of the defendant are a motor repair/service centre of the plaintiffs and or under the patronage of the plaintiffs. The trade name of the defendant does not suggest that it is a filling station only for the public at large to form an opinion that the plaintiffs are not in the business of filling station and thus the business of the defendant could not have any association with the plaintiffs. In the light of the offer aforesaid made by the counsel for the defendant, I had, during the hearing, put to the counsel that even if the court was to give a direction to the defendant to change its name from Ford Service Centre to some other name showing that the business of the defendant was of a filling station only, the same would still involve the inconvenience and expenses claimed by the defendant involved in the process of change of name. The counsel for the defendant fairly agreed that the only option available was to write the word FORD or the word Service Centre in a manner less conspicuous as at present. However, in my view, same would not be apposite in the facts of the present case.

8. Moreover in the present day times, the filling station or petrol pump is not merely vending petrol but there is a host of other activities generally carried on therein. The petrol pumps/filling stations compete with each other offering various services to their patrons of pressurized air, cleaning/polishing of cars, wind screen, sale of lubricants, grease and other automobile and over the counter components as well as of convenience stores.

9. In my view, the services of cleaning/polishing of wind screen/automobile or sale of lubricants, grease or other components at the filling station of the defendant under the name and style of Ford Service Centre would clearly be infringement of the trade mark of the plaintiff irrespective of whether the said components, lubricants, greases etc themselves do not bear the mark FORD or bear some other mark. The consumers of the said services/goods would be attracted to the filling station of the defendant thinking that the polishing, cleaning services and the lubricants, greases and components etc available therein would be of the plaintiffs and is likely to be less suspect to watch out that what has been ultimately delivered is of someone else. The carrying on of such activities would thus undoubtedly be an infringement of the registered trade mark of the plaintiffs.

10. Not only so I also find that even sale of petrol/diesel by the defendant under the name and style of Ford Service Centre would also amount to infringement of the plaintiffs" registered trade mark within the meaning of Section 29(2)(a) of the Act. I find similarity in the goods i.e., petrol and diesel being sold by the defendant to the goods and services covered by the registered trade mark. The registrations aforesaid of the plaintiffs cover nearly the entire gamut of motor vehicle components and services. The fuel for the said motor vehicles is closely associated with the motor vehicle itself and the public at large is unlikely to know that the plaintiffs are not in the business of vending motor fuels. If the mark FORD has goodwill and reputation and which is not challenged by the counsel for the

defendant, then the possibility of a passerby motorist getting attracted to the filling station of the defendant for the reason of it being associated with the plaintiffs is imminent. A passerby is not to know that the defendant is not running a service station there, as the trade name of the defendant unequivocally suggests. The documents filed by plaintiffs show that the dealers and service outlets of plaintiff are using the mark FORD. The defendant who otherwise has no association with plaintiffs by use of the mark FORD in its trade name is likely to be considered one such dealer or service centre of plaintiffs. A passerby even if not requiring the services of a service centre of the plaintiffs is likely to believe that the petrol/diesel being sold at the service centre of the defendant is the business of the plaintiffs.

11. The counsel for the plaintiff has relied upon SIA Gems and Jewellery Pvt. Ltd. Vs. SIA Fashion, Apple Computer Inc v. Apple Leasing and Industries PTC (Supp) (2) 45 (Delhi) and Alfred Dunhill Limited v. Kartar Singh Makkar 1999 PTC (19) 294 Delhi. But to my mind, in view of the aforesaid factual position, there is no need to discuss the said judgments.

12. I do not find any merit in the contention of the counsel for the defendant that in the facts aforesaid only Section 29(5) is attracted or that even if that were to be so, it would apply only to use of trade name for dealing in goods and services in respect of which the trade mark is registered. The counsel for the plaintiffs has argued that u/s 9 of the 1958 Act as u/s 2(m) of the 1999 Act, mark includes a heading and name. It was contended by reference to the objects and reasons of the 1999 Act that the reason for new enactment was, *inter alia*, to prohibit use of someone else's trade mark as part of corporate name or name of business concern and for protection of well known trade marks. It was rightly argued that Section 29(5) did not have an equivalent provision under the old Act and it could not be read as restricting infringement of a registered trade mark as a trade name in relation to only those goods with respect to which the said mark was registered and such an interpretation would be contrary to the objects and reasons of the new enactment. I also find that Section 2(z)(b) of the new enactment defines a trade mark as a mark capable of distinguishing the goods or services of one person from those of the other. In view of the said position of law the submission of the defendant that a use of the trade mark in a trade name dealing with goods or services other than that in which the trade mark is registered does not amount to infringement of the trade mark or that such infringement is confined to Section 29(5) only, is not correct.

13. I also do not find any other reason/basis whatsoever for the plaintiff to have commenced using the name/mark FORD in relation to its automobile related business which now is stated to be restricted to vending of petrol/diesel only, but for its association with plaintiff, a worldwide giant in automobile industry. Even though the plaintiff may not have had any automobile business in India at that time owing to the then prevailing governmental policy but the plaintiff undoubtedly had a reputation/name/goodwill in India even then. The reliance by the defendant on the

dictionary meaning of FORD and which in any case is not used in common vocabulary/parlance, cannot be perceived as a reason for the defendant to have commenced its automobile related business in the name of FORD. It is common knowledge that prior to enforcement of pollution control norms and insistence of effluent treatment facilities for automobile service centres, nearly each filling station/petrol pump had attached to it a motor repair/servicing work shop. The defendant, which earlier had its works at old Gurgaon Road and now at NH-8, also in all likelihood, besides in the business of vending petrol/diesel was also carrying on business of servicing/repairing automobiles. There could be no other reason for the name FORD SERVICE CENTRE. A shallow point in the river or other water body has no connection whatsoever with the said business and the adoption of the mark/name of the plaintiff by the defendant was clearly to take advantage of the recognition and association of the plaintiff in automobile and automobile servicing industry. Till the time the plaintiff did not recommence business in India or was not manufacturing automobiles in India and was consequently not having its dealers and service centres in India, it may have been argued that the territories of the two were different; but after the plaintiff has its own dealers/service centres with the same name, allowing defendant to continue will be akin to allowing repeated trespass to property of the plaintiff. In my view once such intellectual rights have been given the stature of a "property", all principles of tangible property ought to apply. I do not find any reason to defer so restraining the defendant till the disposal of the suit.

14. In fact the pleas of the defendant of the plaintiff having no presence/business in India when the defendant adopted the mark/name are against the plea of the defendant of delay and latches. The plaintiff would, irrespective of knowledge, naturally be affected when it spread its wings in India and found defendant to be trespassing.

15. I also do not find any merit in the plea of defendant of two others, outside India using FORD in relation to other business. Their case is not before this Court for adjudication and even if the plea of dilution was to be available in an infringement action, no case of dilution in India is made out. Recently the Division Bench of this Court in Pankaj Goel v. Dabur India Limited 2008 (38) PTC 49 (Delhi) held that merely because others are carrying on business under similar or deceptively similar trademark or have been permitted to do so by the plaintiff, cannot offer a licence to the world at large to infringe the trademark of the plaintiff. It was further held that even otherwise, the use of similar marks by a third party cannot be a defence to an illegal act of passing off. In Castrol Limited v. A.K. Mehta 1997 (17) PTC 408 DB it was held that a concession given in one case does not mean that other parties are entitled to use the same. Also, in Prakash Roadline v. Prakash Parcel Service 1992 (2) Arbitration Law Reporter 174 it has been held that use of a similar mark by a third party in violation of plaintiff's right is no defence.

16. On the touchstone of balance of convenience also I find in favour of plaintiff. It is the defendant's own case (though not believed as aforesaid) that the success/volume of its business is unrelated to its name. Only inconvenience in terms of costs involved in change of name is urged. The said costs can always be compensated. On the contrary the loss caused to the plaintiff by the defendant continuing to use the impugned name will be practically impossible to determine with precision. Besides as aforesaid irrespective of loss, repeated trespass to property of plaintiff ought not to be permitted.

17. The plaintiff is thus found entitled to the interim relief. The defendant, its proprietor, partners and agents, during the pendency of the suit, are restrained from directly or indirectly using the trademark FORD or any other mark deceptively similar thereto as part of their trade name or trading style or on hoarding, stationery, advertising etc. Though, as aforesaid the ex parte order was not granted considering of certain disruption in the contract of the defendant with IBP and sufficient time has elapsed thereafter but still, this order is made effective w.e.f. 1st January, 2009 so as to allow the defendant to affect the requisite changes.