

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

% Judgment delivered on:06.03.2024

+ **FAO(OS) (COMM) 153/2022 & CAV 159/2022 & CM APPL. 28021/2022, CM APPL. 49459/2023**

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED Appellant

versus

V GUARD INDUSTRIES LIMITED Respondent

Advocates who appeared in this case:

For the Appellant : Mr. Darpan Wadhwa, Senior Advocate with Mr. Hemant Daswani, Ms. Saumya Bajpai, Ms. Dimita Vyas, Mr. Kunal Prakash, Mr. Amer Vaid & Ms. Neelashi Bhaduria, Advs.

For the Respondent : Mr. Jayant Mehta, Senior Advocate with Mr. Sachin Gupta, Mr. Ajay Kumar, Mr. Manan Mondal, Mr. Rohit Pradhan, Ms. Prashansa Singh, Ms. Swati Meena & Ms. Jasleen Kaur, Advs.

CORAM

HON'BLE MR JUSTICE VIBHU BAKHRU

HON'BLE MR JUSTICE AMIT MAHAJAN

JUDGMENT**AMIT MAHAJAN, J**


1. Crompton Greaves Consumer Electricals Limited. (hereinafter 'Crompton') has filed the present appeal, impugning an order dated 12.05.2022 (hereinafter 'the impugned order') passed by the learned




Single Judge, whereby the application preferred by V Guard Industries Limited (hereinafter '**V Guard**'), under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 ("**CPC**") was allowed and the appellant was restrained from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in electric irons under the impugned mark "**PEBBLE**".

Facts

2. The present dispute relates to electric irons sold by CROMPTON since October 2020 under the mark "**CROMPTON PEBBLE**", which is alleged by V GUARD to be infringing its rights obtained for marketing water heaters under the mark "**PEBBLE**".

3. V GUARD has claimed exclusive use of the mark PEBBLE as the label mark  is registered in Class 11 since 26.03.2013 for goods being water heaters, electric water heaters, heating coils, electric water geysers. It claimed that the mark has acquired enviable goodwill and reputation such that it has acquired the status of a well-known mark under Section 2(1)(zb) of the Trade Marks Act, 1999, (hereinafter as '**the TM act**'). It states that the use of the mark

"**CROMPTON PEBBLE**"  by CROMPTON amounts to infringement of the mark "**PEBBLE**".

4. V GUARD had also filed an application for registration of the word mark "**PEBBLE**" in Class 7 for electric irons and other goods. It




is informed that the registration has since been granted during the pendency of the present appeal. V GUARD claimed that the word “PEBBLE” is an essential and prominent part of its label mark and, thus, it has an exclusive right *qua* the said word in respect of any electric good. It is further claimed that V GUARD has been selling electric products since the year 1977. It has been selling consumer electrical and electronic apparatus including pumps, fans batteries, inverters etc. under its house mark, “V GUARD” as well as other trademarks and it claims to have a turnover of over ₹2600 crores. It is further claimed that its products are available across India and in other countries including Nepal, Sri Lanka, and United Arab Emirates. It has been selling water heaters, electric water heaters, water geysers etc. under the label “PEBBLE” since the year 2013 and relied upon its statement of sales.

5. CROMPTON, on the other hand, claimed that they are using their mark in respect of electric irons falling in Clause 8 and, therefore, there is no likelihood of any confusion. It further claimed that the electric irons are sold by them with a well-known house mark “CROMPTON”. It was argued by CROMPTON that their mark is visually, structurally as well as phonetically different from the V GUARD/ plaintiff’s device mark. The word CROMPTON is claimed to be a prominent part of the defendant’s mark which is sufficient to distinguish plaintiff’s mark from that of the defendant. It further argued that the goods in question are also dissimilar and, hence, there is no scope of confusion or deception.



The Impugned Order

6. The learned Single Judge, by the impugned order, *prima facie* decided three issues. First, whether the marks are similar/ identical. Second, whether the goods are similar so as to entitle the plaintiff for an order of injunction under the provisions of Section 29(2) of the TM Act and, third, whether the *prima facie* case for passing off is made out.

7. It held that the word “PEBBLE” is an essential and dominant part of the plaintiff’s registered label mark  and the plaintiff can assert a right for the exclusive use of the word “PEBBLE” on the basis of registration.

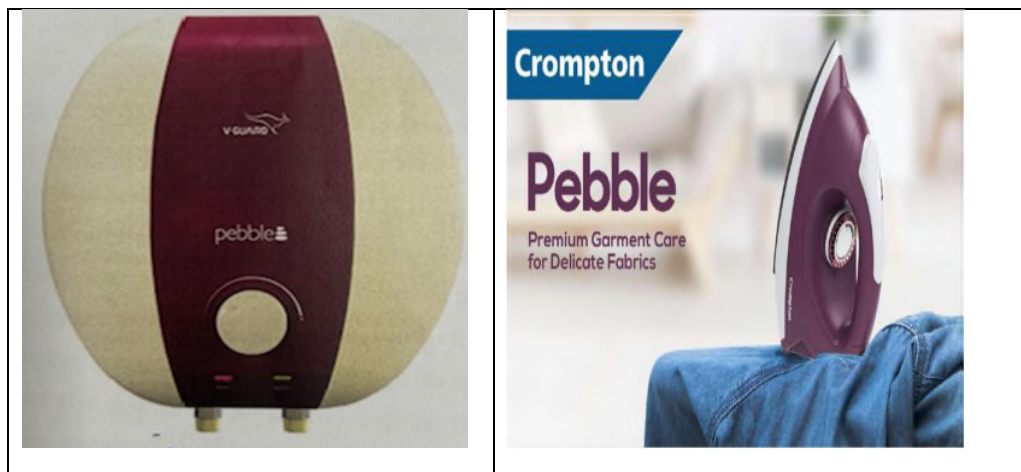
8. The learned Single Judge, *prima facie* held that the impugned mark “PEBBLE” is phonetically, visually and structurally identical to the dominant part of the plaintiff’s registered trademark. It also held that the defendant is claiming the use of the mark only from the year 2020 and the addition of the word CROMPTON cannot, in the absence of continuous and extensive use in relation to goods, act as a source identifier. The learned Single Judge also referred to the screenshots from the interactive website of the defendant.

9. The learned Single Judge, however, held that the competing goods are not similar and, thus, the plaintiff has not made out a case for infringement against the defendant under Section 29(2) of the TM Act.



10. The learned Single Judge referred to Section 29(4) of the TM Act and held that the plaintiff's mark *prima facie* has a reputation in India and the defendant has been using the mark without due cause. It held that the word "PEBBLE" is not descriptive of water heaters and is an arbitrary word entitled for high degree of protection. The defendant, by adopting the mark, gains unfair advantage of the reputation and the goodwill of the plaintiff which is detriment to the distinctive character of the registered trademark of the plaintiff. The learned Single Judge also held that the plaintiff has made out a *prima facie* case of passing off. It held that the use of the mark by the defendant is likely to deceive the consumers.

11. The competing marks of the parties and their application on goods are set out below for the purpose of reference:



SUBMISSIONS

12. The learned senior counsel for the appellant submitted that the plaintiff is the proprietor of the label mark containing the word



“PEBBLE”. He submits that, by obtaining the registration of a label, the plaintiff cannot be allowed to monopolise the word. He vehemently contended that the proprietor of a device mark that includes a common word would not acquire an exclusive right with respect to the usage of the said word.

13. It is contended that the plaintiff cannot by indirect means, be allowed to have the benefit of the registration of the word mark only because he has secured the registration of the label mark.

14. The learned senior counsel for the appellant/ defendant stated that neither the respondent has claimed that they intend to sell electric irons under the mark “PEBBLE” nor it has adduced any evidence with respect to sale of ‘any electric iron’ under any mark. The only reason the Respondent states to have applied for the mark “PEBBLE” with respect to electric iron was in order to defeat the rights of appellant.

15. He stated that the respondent cannot claim exclusivity over the mark “PEBBLE” as its mark is not a well-known mark and has a sale figure of ₹ 31.49 crores only. It is also stated that the respondent has never attempted to file an application, requesting for inclusion of its mark in the list of ‘well-known’ mark before the Registrar of Trade Marks.

16. He argued that once the learned Single Judge has reached the conclusion that, *prima facie*, the goods of the appellant and that of



respondent cannot be held to be similar, no order of injunction could have been passed.

17. The learned senior counsel for the appellant has further argued that the respondent does not have a word mark registration but only has a device mark registration in Class 11 with a particular style, colours, with three pebbles stacked on top of each other. He submits that the respondent only sells water-geysers, and that too with its house mark “V-Guard”. It is stated that the respondent cannot be allowed to monopolize the use of a common English word since it is not a coined word. In the face of the categorical finding that the products are dissimilar it can be inferred that the consumer will not be confused, which is the essence of infringement and for an interim order to be passed for passing off.

18. It is submitted that the parameters of Section 29(4), which entitles registered owner of trademark to injunction in relation to goods or services which are not similar, are not satisfied. He further argued that the threshold for holding that a mark has reputation in India is very high, which is not fulfilled in the present case since V Guard’s device mark has been in use for less than ten years.

19. He submitted that the threshold under Section 29(4) of the Act is much stringent. The plaintiff not only has to prove that the competing marks are similar or identical but also that the plaintiff’s mark has such reputation by its long use that it has acquired a secondary meaning for the purpose of ordinary consumer.



20. He further submitted that the sales figure of the plaintiff's product is not sufficient to pass the muster. He further submitted that the word "PEBBLE" is not an invented or a coined word and, therefore, is otherwise also not a strong mark.

21. He further submitted that the mark has to be compared or seen as a whole and the mere registration of the label containing PEBBLE will not give any exclusive right to the plaintiff to use the word PEBBLE. The plaintiff having separately applied for the word mark PEBBLE cannot seek the benefit indirectly by claiming the monopoly over the world even though it is only the label which is registered in its favour.

22. He submitted that the added matter in the defendant's mark is sufficient to distinguish its goods from that of the plaintiff's. The addition of the word "Crompton", which has been declared as a well-known mark is sufficient to distinguish the goods of the defendant from that of the plaintiff.

23. The learned senior counsel for the appellant has relied on the following judgments in order to support his arguments:

- a. ITC Limited v. Philip Morris Products SA : 2010 SCC OnLine Del 27;***
- b. Discussions by J. Thomas McCarthy;***
- c. Rolex SA v. Alex Jewellery Pvt. Ltd. : 2014 SCC OnLine Del 1619;***
- d. Kamdhenu Ispat v. Kamdhenu Pickles & Spices Ind. (P) Ltd. : 2010 SCC OnLine Del 3609;***



- e. Nandhini Deluxe v. Karnataka Cooperative Milk Producers Federation : 2018 9 SCC 183;***
- f. United Biotech (P) Ltd. v. Orchid Chemicals & Pharmaceuticals Ltd. : 2012:DHC:3447-DB;***
- g. The Registrar of Trade Marks v. Ashok Chandra Rakhit Ltd. 1955 SCC OnLine SC 12;***
- h. Kaviraj Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories : 1964 SCC OnLine SC 14;***
- i. Meso Private Limited v. Liberty Shoes & Anr. : 2019 (80) PTC 186;***
- j. Vasundhra Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvan & Anr. : 2022:DHC:4255-DB;***
- k. Sanjha Chulha v. Sanjha Chulha & Ors. : 2022/DHC/004586.***

24. The learned senior counsel for the respondent/ plaintiff submitted that the plaintiff has been able to *prima facie* establish its reputation and goodwill in terms of Section 29(4) of the Act. He further submitted that the learned Single Judge has rightly held that the present case fulfils all the necessary ingredients of Section 29(4) of the Act.

25. He submitted that the similarity between the two marks is so close that no further evidence is required to establish that the customer would be confused while making the purchase.

26. He further submitted that the word “PEBBLE” for the purpose of electrical goods is completely arbitrary and is, therefore, entitled for the protection.



27. It is further stated that the appellant/ Crompton had started using the word “PEBBLE” in its products only recently, from the year 2020 and if the usage of the word “PEBBLE” is allowed, it would result in irreparable loss to V Guard.

28. The learned senior counsel though argued that the goods are similar, however, in the absence of any challenge to the findings given by the learned Single Judge that the goods are not similar, does not press the said argument.

REASONING & CONCLUSION

29. Section 29 of the TM Act reads as under:

“29. Infringement of registered trade marks

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

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

- a. its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or*
 - b. its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark;*
- or*



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

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

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

a. is identical with or similar to the registered trade mark; and

b. is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

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

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

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

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

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

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



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

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

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

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

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

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

30. It is clear that for the purpose of alleging infringement under Section 29(2) of a registered trademark, it is to be established that the mark used by the defendant is not only identical or similar to the registered trademark but also the goods and services, on which the defendant is using its mark, are also identical or similar which is likely to cause confusion on the part of the public or is likely to have an association with the registered trademark.

31. In terms of Section 29(4) of the Act, a registered trademark user can file a suit for infringement even in relation to goods and services which are not similar subject to the conditions that the mark used by defendant is not only identical with or similar to the registered



trademark but also that the registered trademark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to the distinctive character or reputation of the registered trademark.

32. The legislative intent in employing the word ‘AND’ between the sub-clauses ‘(a)’, ‘(b)’ and ‘(c)’ of Section 29(4) of the TM Act is clear. In order to obtain injunction in regard to goods which are not similar, all three conditions mentioned in Section 29(4) of the TM Act have to be satisfied. The registered proprietor of the mark is not entitled for an order of injunction under Section 29(2) of the TM Act if the goods or services on which the competing marks are used are not similar. However, if the plaintiff claims that the registered trademark has a reputation in India, an injunction can be sought even if the goods on which the similar trademark is applied are not similar, that is, however, subject to other ingredients of Section 29(4) being satisfied.

33. The Hon’ble Apex Court in a recent decision in the case of ***Renaissance Hotel Holdings Inc. v. B. Vijaya Sai and others : (2022) 5 SCC 1***, interpreted Section 29(4) of the TM Act and held as under:

“54. However, the High Court, while reversing the decree of injunction granted by the trial court, has held that the appellant-plaintiff had failed to establish that the trade mark has reputation in India and that the respondent-defendants’ use thereof was honest and further that there was no confusion likely to be created in the minds of the consumers inasmuch as the class of consumers was totally different. It appears that the High Court has relied only on clause (c) of sub-section (4) of Section 29 of the said Act to arrive at such a conclusion.”



55. We find that the High Court has totally erred in taking into consideration only clause (c) of sub-section (4) of Section 29 of the said Act. It is to be noted that, whereas, the legislature has used the word “or” after clauses (a) and (b) in sub-section (2) of Section 29 of the said Act, it has used the word “and” after clauses (a) and (b) in sub-section (4) of Section 29 of the said Act. It could thus be seen that the legislative intent is very clear. Insofar as sub-section (2) of Section 29 of the said Act is concerned, it is sufficient that any of the conditions as provided in clauses (a), (b) or (c) is satisfied.

56. It is further clear that in case of an eventuality covered under clause (c) of sub-section (2) of Section 29 in view of the provisions of sub-section (3) of Section 29 of the said Act, the Court shall presume that it is likely to cause confusion on the part of the public.

57. The perusal of sub-section (4) of Section 29 of the said Act would reveal that the same deals with an eventuality when the impugned trade mark is identical with or similar to the registered trade mark and is used in relation to goods or services which are not similar to those for which the trade mark is registered. Only in such an eventuality, it will be necessary to establish that the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark. The legislative intent is clear by employing the word “and” after clauses (a) and (b) in sub-section (4) of Section 29 of the said Act. Unless all the three conditions are satisfied, it will not be open to the proprietor of the registered trade mark to sue for infringement when though the impugned trade mark is identical with the registered trade mark, but is used in relation to goods or services which are not similar to those for which the trade mark is registered. To sum up, while sub-section (2) of Section 29 of the said Act deals with those situations where the trade mark is identical or similar and the goods covered by such a trade mark are identical or similar, sub-section (4) of Section 29 of the said Act deals with situations where though the trade mark is identical, but the



goods or services are not similar to those for which the trade mark is registered.

58. *Undisputedly, the appellant-plaintiff's trade mark "renaissance" is registered in relation to goods and services in Class 16 and Class 42 and the mark "sai renaissance", which is identical or similar to that of the appellant-plaintiff's trade mark, was being used by the respondent-defendants in relation to the goods and services similar to that of the appellant-plaintiff's.*

59. *In these circumstances, we are of the considered view that it was not open for the High Court to have entered into the discussion as to whether the appellant-plaintiff's trade mark had a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark. We find that the High Court has erred in entering into the discussion as to whether the respondent-defendants and the appellant-plaintiff cater to different classes of customers and as to whether there was likely to be confusion in the minds of consumers with regard to the hotel of the respondent-defendants belonging to the same group as of the appellant-plaintiff's. As held by this Court in *Ruston & Hornsby [Ruston & Hornsby Ltd. v. Zamindara Engg. Co., (1969) 2 SCC 727]*, in an action for infringement, once it is found that the defendant's trade mark was identical with the plaintiff's registered trade mark, the Court could not have gone into an enquiry whether the infringement is such as is likely to deceive or cause confusion. In an infringement action, an injunction would be issued as soon as it is proved that the defendant is improperly using the trade mark of the plaintiff."*

34. The learned Single Judge has held that the goods of the defendant are not similar to the goods of plaintiff on which the registered trademark is used. However, it is held that the plaintiff's registered trademark is similar to the defendant's trademark and the plaintiff's mark has a reputation in India and the defendant has been using the mark without due cause to take unfair advantage of or is



detrimental to the distinctive character or repute of the registered trademark.

35. For the purpose of grant of injunction under Section 29(4) of the Act, the first and foremost condition to be satisfied is the similarity of the two marks. Thus, the issue to be considered is whether the appearance of the word “PEBBLE” in the composite mark of defendant “CROMPTON PEBBLE” makes the defendant’s mark similar to that of the plaintiff. Therefore, whether the registration of the label “PEBBLE” which also includes other features in the said label would give an exclusive right to the plaintiff in respect of the word “PEBBLE”.

36. It is settled law that the owner of the trademark is entitled for protection of the dominant part of the label if the same is used by any other person subject to other test of Section 29 being satisfied.

37. An injunction can be granted if the dominant part of the defendant’s trademark is similar to the dominant part of the plaintiff’s trademark. What is to be compared, therefore, is the dominant part of the conflicting mark to that of the plaintiff’s registered trademark when viewed as a whole.

38. From the first impression of the defendant’s composite mark, it would be accepted that the word “PEBBLE” is a dominant part of the defendant’s trademark. The test of similarity is an overall structural phonetic and visual similarity between the competing marks.

39. It is not permissible to hold that two competing marks are similar by examining a portion of one mark and comparing it with the



portion of another mark. The similarity in both marks have to be viewed as a whole.

40. It is an admitted case that the plaintiff's had a registration of the device mark that contains the word "PEBBLE" but did not have any registration on the word mark "PEBBLE" when the impugned order was passed. The plaintiff has, in fact, since been granted registration of the word mark "PEBBLE" in Class 7 during the pendency of the present appeal.

41. While examining an application for infringement, the essential features of the trademark, if are adopted by the defendant in identical form, certain degree of variance in get up, layout in the label will not allow the defendant to escape the liability.

42. The anti-dissection rule and the essential feature doctrine has been dealt with by the Courts time and again and it has been held that the dominant part of the trademark needs to be protected.

43. It cannot be denied that in the label mark of the plaintiff in the present case, the word "PEBBLE" is a dominant feature. The plaintiff cannot be precluded to claim the exclusive right to use the said word to the goods for which it is registered. At the same time, the label mark of the defendant also consist of words being, CROMPTON and PEBBLE. It is not disputed that the word "PEBBLE" is also a dominant feature of the defendant's mark.

44. The marks "PEBBLE" and "CROMPTON PEBBLE" are visually, phonetically and structurally identical and the word "PEBBLE" is admittedly the dominant part of both the marks.



45. In *United Biotech Pvt. Ltd. v. Orchid Chemicals and Pharmaceuticals Ltd. & Ors.* (*supra*), the Division Bench has approved the observations of the learned Single Judge that, when a label mark is registered, it cannot be said that the word contained there, is *per se* not worthy of protection. The question whether a word forming a part of a device mark, would grant any right in respect of the said word, would have to be determined in the facts of each case. The standard being whether the overall commercial impression of the competing marks has the propensity to cause confusion from the standpoint of a person of average intelligence and imperfect recollection.

46. It is not denied that the registration of a composite mark confers upon the registered proprietor, a monopoly to use the same when taken as a whole. It is, however, not the plaintiff's contention that the monopoly is claimed over each and every part of the mark. As discussed above, the rights are claimed over the prominent/ essential feature of the mark when taken as a whole. The law recognises protection of the prominent and essential feature of the mark. We, therefore, find no infirmity with the *prima facie* view of the learned Single Judge in that regard.

47. For the purpose of grant of injunction, while applying the principles of Section 29(4) of the TM Act, the other ingredients to be satisfied are that the mark is used in relation to the goods and services which are not similar to those for which the trademark is registered and the registered trademark has a reputation in India and the use of



mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trademark.

48. It is the appellant's case itself that the goods are not similar and, therefore, the second ingredient under Section 29(4) of the TM Act stands satisfied. Section 29(4) of the trademarks essentially relates with the dilution principle which does not require the presence of deception and confusion. The provision was inserted by way of amendment in the year 1999. However, the doctrine of anti-dilution was recognised through judicial precedents. The law recognised the protection of those marks which are reputed in character.

49. It is important to note that the TM Act provides a definition of a well-known trademark in Section 2(1)(zg) and the factors that are required to be considered while determining a mark as a well-known mark are provided in Section 11(7) of the TM Act. However, Section 29(4) of the TM Act uses the expression 'reputation' and not 'well-known mark'. Thus, it is not required for the proprietor of the registered mark to show that the mark is a well-known mark as defined in Section 2(1)(zg) of the TM Act but has to *prima facie* satisfy that the mark has a reputation in India. (**Ref.: *Bloomberg Finance LP v. Prafull Saklecha & Ors.* : 2013 SCC OnLine Del 4159**)

50. At the stage of deciding the application under Section 39(1) and (2) of the CPC, the plaintiff has to *prima facie* satisfy about the existence of reputation in India. It is recognised that the *prima facie* indicator of the reputation of the mark can be sales figure and the



promotional expenses *qua* a particular product on which the registered trademark is applied. The Court has to consider whether the plaintiff has built up a goodwill where a damage will be caused to it in case the mark is allowed to be used by a third party.

51. The law, therefore, recognises that even in case where there is no likelihood of confusion, the use of the trademark by a third party can be protected in case it is shown that the registered mark has a reputation and a distinctive character. The law, in fact, affords a stronger protection to such marks and, therefore, protects even if the same is used on goods and services which are not similar. The proprietor does not have to demonstrate the likelihood of any confusion. The learned Single Judge noted that the plaintiff has been selling water heaters under the trademark “PEBBLE” since the year 2013 and also relied upon the sales turnover reflecting robust sales over the years, the same was held to be *prima facie* sufficient at the interim stage to show existence of reputation India. It is also not denied that the plaintiff has been extensively using the mark and has a number of outlets/ dealers from where its products are sold. We, therefore, find no infirmity with the order passed by the learned Single Judge in that regard.

52. The appellants relied upon the judgment passed by this Court in the case of ***Rolex SA v. Alex Jewellery*** (*supra*), to contend that to claim the benefit of Section 29(4) of the TM Act, the test that the mark has to fall in the category of well-known mark has held therein.



53. The learned Single Judge in *Rolex SA v. Alex Jewellery (supra)*, had passed a decree in favour of the plaintiff holding the mark of the plaintiff to be a well-known mark. It was held that it is not necessary that the said mark has to be used in India or well-known to the public at large in India.

54. It was, however, not held that for the purposes of satisfying the ingredients of Section 29(4) of the TM Act, the mark necessarily has to be a well-known trademark. It was held that if the mark can be shown to be a well-known trademark, it makes it easier to satisfy the requirement under Section 29(4) of the TM Act.

55. The reliance by the learned senior counsel for the appellant in the case of *ITC Limited v. Philip Morris (supra)* is misplaced. The Court in the said case has not determined the threshold for a mark in order to fall within the definition of ‘reputation’ as used in Section 29(4) of the TM Act.

56. The reliance on the judgment of the learned Single Judge in the case of *Kamdhenu Ispat v. Kamdhenu Pickles (supra)* is also of no help in the facts of the present case. In the said case, the Court *prima facie* held that the word “KAMDHENU” is an Indian word having religious significance and is used in laudatory sense, that is, plenty, prosperity etc. The word “PEBBLE” is arbitrary in relation to its use for electrical goods. It is not a case of the appellant that the word is laudatory or descriptive in any manner whatsoever of the goods being sold by the plaintiff.



57. In *Nandhini Deluxe v. Karnataka Cooperative Milk Producers Federation* (*supra*), the parties were held to be a concurrent user of the trademark. It was *prima facie* held that the defendant had not taken any unfair advantage by the use of similar mark. In the present case, the defendant has started using the mark only recently and no explanation has been provided for adopting the mark which is similar to the plaintiff's mark.

58. The learned Single Judge, in our opinion, has rightly distinguished the case of *Vardhaman Plazas Buildtech v. Vardhman properties*. In the said case, "VARDHAMAN" was opined to be a commonly used mark across businesses due to which the appeal against injunction was allowed, however, in the present case, as noted, "PEBBLE" is not shown to be used on water heaters and is arbitrary in nature.

59. The case of *Registrar of Trade Marks v. Ashok Chandra Rakhit* was in relation to Section 13 of the TM Act, 1940 which provided for mandatory disclaimer on parts of a composite mark in absence of separate application or registration for the said part. The said section corresponds to Section 17 of the TM Act, 1999.

60. The reliance placed by the appellant in the case of *Meso v. Liberty Shoes* (*supra*) is misplaced. In the said case the Court had rejected the contention that the marks in question, that is, 'legend' and 'FLIRT' were arbitrary marks, on the basis of the fact that said words were closely connected and widely used in the perfumery industry, and in such case the house mark would act as a source identifier of the



said products. However, as noted above, “PEBBLE” is the prominent part of the respondent’s mark and unlike the facts in *Meso v. Liberty Shoes* (*supra*), is arbitrary in relation to Water Geysers.

61. The appellant also relied upon the judgment passed by this Court in *Vasundhra Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvan & Anr.* (*supra*) and the judgment in the case of *Sanjha Chulha v. Sanjha Chulha & Ors.* (*supra*). The ratio laid down in these judgments are not relevant in the facts of the present case.

62. In the case of *Vasundhra Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvan & Anr.* (*supra*), it was *prima facie* found that ‘VASUNDHRA’ is a common name in India. This Court in the facts of the said case had held that the defendant has also developed suitable goodwill for the mark in its favour. This Court on a plain comparison of the marks *prima facie* held that the marks were not similar even if it was accepted that the word ‘VASUNDHRA’ is a dominant part of the competing marks. The word ‘VASUNDHRA’ was found to be generic to be part of several registered trademarks and was *prima facie* held to be weak trademark. The plaintiff in the said case had been unable to *prima facie* establish the reputation to satisfy the test of Section 29(4) of the TM Act.

63. In *Sanjha Chulha v. Sanjha Chulha & Ors.* (*supra*), this Court had held that the plaintiff has not *prima facie* been able to establish the prior user of the trademark. The defendant was also found to be using the trademark ‘SANJHA CHULHA’ for more than 24 years.



64. The adoption of the word “PEBBLE” for the use on geysers is distinctive and arbitrary and is being used by the plaintiff since the year 2013. No worthy explanation has been afforded by the defendant for the adoption of the word “PEBBLE” on its product. It is not the case of the defendant that the word “PEBBLE” is common or generic to the trade of electrical appliances. We, therefore, find no infirmity in the finding of the learned Single Judge in this regard that use of the mark “PEBBLE” by the defendant is *prima facie* without due cause and it has adopted the same to gain unfair advantage of the reputation and goodwill of the plaintiff.

65. In regard to the issue in relation to passing off, the learned senior counsel for the defendant fairly states that since the goods have been held to be not similar, he is not pressing for any finding *albeit prima facie* in that regard.

66. The competing goods have been held to be not similar and the plaintiff has been held to be not entitled for an order of injunction applying the principles of Section 29(2) of the TM Act. The mark used by the defendant prefixed with admittedly well-known mark of the defendant being “CROMPTON” and, therefore, the *prima facie* finding of passing off is not sustainable.

67. The appeal is dismissed in the aforesaid terms.

68. It is clarified that all observations and findings in the present order are *prima facie* and only for the purpose of examining whether



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the impugned order warrants any interference and the pending suit between the parties shall be decided uninfluenced by the observations made in this order.

AMIT MAHAJAN, J

VIBHU BAKHRU, J

MARCH 06, 2024
SS/KDK/HK