

ORDER SHEET
IN THE HIGH COURT AT CALCUTTA
ORIGINAL SIDE
(Intellectual Property Rights Division)

In IP-COM/3/2024
IA NO. GA/1/2020
[OLD NO. CS/94/2020]

DUROPLY INDUSTRIES LIMITED AND ANR.
Vs
MA MANSA ENTERPRISES PRIVATE LIMITED

BEFORE:
THE HON'BLE JUSTICE SUGATO MAJUMDAR
Date: 25th June, 2025

Appearance:

Mr. Debnath Ghosh, Sr. Adv.
Mr. Sarosij Dasgupta, Adv.
Ms. Mini Agarwal, Adv.
Ms. Ratnadipta Sarkar, Adv.
Mr. Baijayanta Banerjee, Adv.
...for the Petitioners

Mr. Sonal Shah, Adv.
Mr. K. Shah, Adv.
Ms. R. Banerjee, Adv.
...for the Respondent

The Court: This is an application filed by the Petitioner/Plaintiff, praying for restraining orders against the Respondent/Defendant from using the mark “Duro Touch” or “Duro” or any other mark which is deceptively similar or identical in name with the Petitioners’ registered trademark “DURO” marks and “DURO” brand name. Since the application was part heard, it was taken up for hearing and disposed of by this order.

Sum and substance of the Petitioners’ case may be summarized as follow:

- i. The Petitioner No. 1 is a registered company carrying on business of manufacturing, distribution, marketing and sale of plywood, paper, tea, furniture and allied products. The Petitioner No. 1 was incorporated in the year 1957 under the name and style of M/s Sarda Plywood Industries Ltd. On and from 13/12/2018, the name of the Petitioner No. 1 has been changed to M/s Duroply Industries Ltd. The Petitioner No. 2 is a sister concern of the Petitioner No. 1 and was incorporated on 11/10/1991.
- ii. In order to distinguish its range of plywood products as well as related products, the Petitioner No. 1 adopted the expression “DURO” way back in the year 1964 as trade mark and primary brand name. Since then, the Petitioner No.1 has been manufacturing, distributing, marketing and selling plywood, decorative and industrial laminates, block boards, doors, shuttering plywood, teak black board and other goods under its mark “DURO”. The expression “DURO” also forms a dominant and distinguishing as well as essential part of trade mark and trading of the Petitioner No. 1. This mark “DURO” serves as corporate identity of the Petitioner No. 1.
- iii. Over the years, the Petitioner No. 1 obtained several registrations for the marks “DUROPLY”, “DUROBOARD”, “DUROMAC”, “DURODERBY” and others. Some of the trademarks having “DURO” prefix, which were originally registered in the name of the Petitioner No. 1, were assigned to the Petitioner No.2. In the year 1968, the Petitioner No. 1 applied for and obtained registration of its first trade mark “DUROPLY” in Class 19. But subsequently, owing to change in the label of the Petitioner No. 1, that particular registration was not renewed. The Petitioner No. 1 subsequently obtained registration for the word mark “DUROPLY”, which the Petitioner No. 1 has been using since 1964. The Petitioner No. 1 has been able to create goodwill

in respect of DURO marks and is enjoying market reputation in respect of the word mark.

- iv. In the year 2018, the Petitioner No. 1 came to know that the Respondent was in process to obtain registration of the “DURO TOUCH” mark (logo/label) in Class 19 for plywood, teak ply and other similar products. The Respondent is in the same business and in the same industry as the Petitioners in relation to the identical or similar or related products and has been using a mark deceptively similar to that of the Petitioners, riding over the goodwill and market reputation of the Petitioners. It is averred that the Respondent has blatantly attempted to pass off the Respondent’s goods as that of the Petitioners in various places including the places within jurisdiction of this Court.
- v. The Petitioner No.1, through its’ advocates sent a “Cease and Desist” letter dated 26/03/2018 to the Respondent intimating that the later had been violating the intellectual property rights of the Petitioners’ and asked to discontinue using the “DURO TOUCH” mark. In reply letter dated 08/05/2018, the Respondent’s Advocate intimated that the Respondent had been using the “DURO TOUCH” mark since 20/01/2006 and had been able to build up goodwill in the states of Himachal Pradesh, Haryana and connected areas.
- vi. The Petitioners have invested huge amount of money for promotion of its mark “DURO” and created goodwill and market reputation. The Respondent has infringed trade mark and is also liable for passing off. But for the alleged acts of the Respondent, the Petitioners have suffered loss and damage. On being constrained, the Petitioners have filed the instant suit and also the instant application praying for restraining orders.

The Respondent contested the instant application by filing affidavit-in-opposition.

The nutshell of the contentions in the affidavit-in-opposition are as follow :-

- a) The Respondent was incorporated under the Companies' Act 1956 on 25/02/1986 with object of manufacturing plywood, teak ply, shuttering ply, block-board, flush door, laminated board, panel door, decorative, sun mica, wooden beadings and core-veneer. In the year 2006, it decided to adopt a specific brand for its plywood and accordingly named it "DURO TOUCH". The Respondent obtained registration on 15/08/2016. The Respondent has been continuously manufacturing and selling its products, as aforesaid, under the trade mark "DURO TOUCH" since the year 2006.
- b) It is further stated that the Respondent is the registered proprietor of the mark "DURO TOUCH" and the only common element in the Petitioner and the Respondent's mark is "DURO". The Petitioner does not enjoy any proprietary right in the word "DURO". Hence, the Petitioner's marks and the Respondent's mark "DURO TOUCH", when compared as a whole are visually, phonetically as well as structurally dissimilar.
- c) The Respondent stated that it is registered proprietor of the mark "DURO TOUCH" and the only common element between the marks of the parties is the word "DURO". The mark of the Respondent is visually, phonetically and structurally dissimilar.
- d) The Petitioners had, apart from applying for marks having "DURO" as prefix registered, had also applied for registration of the mark "DURO" under application no. 501968 dated 08/12/1988. The said application was opposed by one Mr. Madan Lal Agarwala on the basis of his registered trade mark "DUROPLAST". The application for registration of the word "DURO" was

refused in terms of the order dated 10/05/2005, observing that no exclusive right can be granted to anyone to use the term “DURO” as a trade mark for the goods in question. This order was upheld by the Intellectual Property Appellate Board in terms of the order dated 29/12/2006. The order clearly shows that no entity including the Petitioner can claim exclusive right or monopoly in respect of the word “DURO”.

- e) The Petitioner’s registered trademarks having “DURO” as prefix can be divided in two lots – in one lot the marks are all “proposed to be used” even as on this date while the other lot of registered trademarks are having varied user the earliest had been in use since 1964. The Petitioners though claim to have been using its various “DURO” mark since 1964, there is nothing on record to show its use since that date. This was observed by the Intellectual Property Appellate Board in its order. Therefore, merely running a case of prior user without relying upon any figure prior to 2008, does not entitle the Petitioners to any restraining order as prayed for, specially when the Respondent has been continually and uninterruptedly using its’ own registered trade mark.
- f) It is further averred that a search was conducted on the Trade Marks Registry’s portal which revealed that at least 166 users with Duro Formative marks. A list of such marks are given in the affidavit-in-opposition. [(Para. 3 (k)]
- g) It is averred that the Respondent’s mark “DUROPLY/DUROBOARD/DUROMAC” and/or any other DURO prefixed mark in Class 19 is not confusingly or deceptively similar to the mark “DUROTOUCH”. As such, an action of passing off is also not maintainable.

- h) The Respondent has been using its' mark from the year 2006. But the Petitioners served cease and desist notice only on 26/03/2018. The Petitioners kept silent for almost years and made the Respondent to think the issue between the parties having reached a quietus. Therefore, the principles of acquiescence, delay, latches and estoppel comes into play. Marks of both the parties are in co-existence in the market for last 14 years.
- i) The Petitioners are aware of the fact of limitations in relation to the word "DURO". The Petitioners specifically undertaken not to claim any right much less registered proprietary rights over the word "DURO" in one of its combination-application. Registration No. 246497 was granted to the Petitioners on specific disclaim of rights over the word "DURO". Thus, the Petitioners are guilty of fraud by attempting to seek trade mark rights over the disclaimed portion.
- j) It is further averred that though the Petitioners have obtained several registrations of several trademarks with "DURO" prefix, the Petitioners are not using most of the marks. Thus, the Petitioners have registered ghost marks and have attempted to create monopoly on the word "DURO" which they were unable to achieve through registration of the trade mark "DURO".
- k) It is further stated that apart from the Petitioners' mark, there exist many other registered trademarks with DURO as prefix or a suffix under the trade description of plywood and also other categories in Class 19. Therefore, it is not correct to say that the trade mark in question is intrinsically linked to the Petitioners.
- l) In nutshell, it is stated that the instant application should be dismissed.

The Plaintiff filed affidavit-in-reply.

Plaintiff argued:

Firstly, Mr. Ghosh, the Learned Counsel for the Petitioner No. 1 argued that the said Petitioner is prior user of the mark 'DURO', and has been continuously and extensively using the same since 1964. The rights of the prior user are superior to registration and are unaffected by registration obtained under the Trade Marks Act, 1999. It is recognized principle of common law jurisdiction that rights of passing off is broader than the remedy against infringement. A person acquires a right by use of the trade mark and such use generates a goodwill and reputation in the market. A later user of a similar mark cannot misrepresent his business as that of prior user. Following decisions are referred to:

- 1. S. Syed Mohideen Vs. P. Sulochana Bai [(2016) 2 SCC 683]**
- 2. Neon Laboratories Ltd. Vs. Medical Technologies Ltd. & Ors.
[(2016) 2 SCC 672]**
- 3. Renaissance Hotel Holdings Inc. Vs. B. Vijaya Sai & Ors.
[(2022) 5 SCC 1]**

It is further argued by Mr. Ghosh, the Learned Counsel for the Plaintiff that a well-known trade mark means a mark which has become familiar to a substantial segment of people who use such goods or receives services; an use of similar mark in relation to other goods or services would be likely to be taken as indicating a connection in course of trade between these goods or services and a person using the mark in relation to the first goods or services. Mr. Ghosh explained the scope of Section 2(1) (zg) of the Trade Marks Act, 1999.

It is further argued that user of a registered word mark can maintain an action for infringement against the Defendant having a label mark registration. Mr. Ghosh referred

to **Siyaram Silk Mills Ltd. Vs. Shree Siyaram Fab Pvt. Ltd. & Ors. [(2012) 2 MHLJ 49]**

It is further argued that disclaimer would not stand on the way of an action for passing off. Mr. Ghosh referred to **Godfrey Phillips India Vs. Girnar Food & Beverages [(1998) 9 SCC 531]**. It is submitted in continuation that disclaimer in one mark does not affect the other mark. All marks are independent marks. To substantiate his argument, Mr. Ghosh relied upon **Skol Breweries Ltd. Vs. Som Distilleries (MANU/MH/1110/2011)**.

Another contention raised is that when the Defendant has applied for registration of a mark the Defendant cannot allege that the mark is common in trade. Mr. Ghosh referred to **Indian Hotels Company Ltd. Vs. Jiva Institute of Vedic Science [(2008) SCC OnLine Del 1758]**.

The last contention of Mr. Ghosh is that any product sold or marks used beyond the scope of the Memorandum of Association of a Company is *ultra vires*. Inviting attention of the Memorandum of Association of the Defendant, Mr. Ghosh submitted that the Memorandum of Association is silent on carrying of plywood business. Therefore, the business itself is *ultra vires*. Mr. Ghosh referred to:

Lakshmanaswami Mudaliar & Ors. Vs. Life Insurance Corporation of India & Anr. (AIR 1963 SC 1185)

Ashbury Railway Carriages & Iron Co. case [(1875) LR 7 HL 653]

Defendant argued:

Ms Shah, the Learned Counsel for the Respondent argued, at the outset, that the Petitioner/Plaintiff was incorporated in the year 1957 as Sarda Plywood Industries Ltd. The said Sarda Plywood adopted the expression 'DURO' in the year 1964 and sought for

registration of various marks with 'DURO' as its principal trade mark either in isolation or as a prefix. The said Sarda Plywood changed its name to Duroply Industries Ltd. on 13/12/2018. By way of assignment, dated 28/05/2018 Sarda assigned all the marks to Sujay Management the Plaintiff no.2. Sarda & Duroply are no more the registered proprietors of the trade marks in question as on the date of institution of the suit. The present owner is Sujay Management only. On 01/06/2018, the Plaintiff no. 2 entered into a trade mark licence agreement for only using the marks in respect of the goods with no trade mark rights on the same. This licence agreement expired on 31/05/2022. Therefore, Duroply has no *locus* in the *lis* either as an owner or user.

Next it was argued that in the year 1968, Sarda Plywood had applied for registration of "Sarda Plywood DUROPLY Industries (P) Ltd." in an oval format in Class 19, proposed to be used in Part B of the Trade & Merchandise Act, 1958. Referring to Section 9 of the Act of 1958, it was submitted that registration in Part B, is granted when the trade mark sought for is not distinctive by itself but capable of being distinctive. The Petitioner had made an application for registration of the word "DURO" being Application No. 501968 dated 08/12/1988 under the Act of 1958. It was observed by the Registrar of Trade Marks, in terms of the Order dated 10/05/2005 that "DURO" is a Spanish word, therefore, no exclusive right can be given to anyone. Registration of "DURO" was refused. In another application being Application No. 542047 the expression "DURO" was disclaimed by the Registrar and the said disclaimer was accepted by the Plaintiffs. It is submitted that the word "DURO" is used in common parlance and is laudatory in nature. It confers no exclusive right. Mrs. Shah referred to:

- a. Ultratech Cement Ltd. & Anr. Vs. Dalmia Cement [(2016) SCC OnLine Bom 3574]**
- b. Soothe Healthcare – [(2022) SCC OnLine Del 645]**

Next it was argued that the two marks “DURO” formative words and “DUROTOUCH” are in any event not similar. Referring to Section 17(2) of the Trade Marks Act, 1999, it was submitted that the founding principle of the provision also disallows the Petitioner from claiming exclusivity on a part of a registered trade mark. **Vardhaman Realtech Pvt. Ltd. Vs. Vardhaman Properties Ltd. [(2016) SCC OnLine Del 4738]** was relied upon.

Next it is argued that the Plaintiff has failed to make out a case of passing off. Neither there is any case of complaint lodged by any consumer alleging deception or confusion nor a case of diminishing sales figure is made out. Though prior user is a critical factor in trade mark dispute, that is not a sole determinant in cases involving descriptive trademarks. The Plaintiff has failed to demonstrate that descriptive trade mark has become distinctive in fact. Mrs. Shah referred to **Pidilite Industries Ltd. & Anr. Vs. Vilas Nemichand Jain & Anr. [(2015) SCC OnLine Bom. 4801]**.

It is further submitted that the Plaintiff has referred to number of marks but most of the marks are to be used or proposed to be used. They are mostly ghost marks.

It is denied that there was no disclaimer. The word “DURO” is in use by various traders and is common to trade.

DECISION:

Since the suit is pending for adjudication, this injunction application shall be decided only on the basis of facts, hitherto uncontroverted or admitted or undisputed.

There is no dispute or denial by the Defendant that the Plaintiff is in use of the trade mark “DUROPLY” since 1964. The Respondent has been using the trade mark “DUROTOUCH” since 2006. Although the Plaintiff applied for registration of the mark “DURO” the same was not registered. The Registration was refused in terms of order dated 10th May, 2005 on the ground that “DURO” is a Spanish word meaning ‘hard’.

Therefore, no exclusive right can be given to anyone. In another application bearing no. 542047, the Defendant disclaimed the expression “DURO”. Both the parties have their respective registered trademarks; there is no dispute on it. The Respondent argued on disclaimer by the Petitioner or lack of distinctiveness of the trade mark and its descriptive character; long acquiescence of the Plaintiff in raising any objection to concurrent use of the two trademarks and co-existing market disintitling the Petitioner to any injunctive relieve. The Petitioner relies upon long user, common law remedy of passing off as well as infringement action.

Before advertng to rival arguments, it is necessary to look into certain provisions of the Trade Marks Act, 1999. Section 28 of the Act states as follow:

“28. Rights conferred by registration. — (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”

This section gives exclusive right to use the registered trade mark in relation to goods in respect of which the trade mark is registered. It also empowers the registered trade mark holder to bring an action of infringement of trade mark as appears from plain reading of sub-section(3) when two or more persons are registered proprietor of identical or reasons

similar trademarks. There is no exclusive right to use of any of the trade mark shall not be deemed to have been acquired by any of the trade mark owner against the other. In other words, there is no exclusivity of right. However, rights conferred by Section 28 are not absolute and unbridled; this right has subject to other provisions of the Act. Section 28, therefore, cannot be read in isolation. In this context, Section 34 should be considered which states as follow:

“34. Saving for vested rights. — Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior—

(a) to the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second mentioned trade mark by reason only of the registration of the first-mentioned trade mark.”

Section 27 of the Act saves the right to sue on the ground of passing off. This Section states as follow:

“27. No action for infringement of unregistered trade mark.—(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.”

In **S. Syed Mohideen Vs. P. Sulochana Bai [(2016) 2 SCC 683]**, the Supreme Court of India considered interplay of Section 27(2) and Section 28(3) of the Act, it was observed that collective reading of the provisions especially Section 27, 28, 29 and 34 of the Trade

Marks Act, 1999 would show that the rights conferred by registration are subject to the rights of the prior user of the trade mark. The Apex Court of the India further observed that from reading of Section 27(2) of the Act, it is clear that the right of action of any person for passing off the goods/services of another person and remedies thereof are not affected by the provisions of the Act. Thus, the rights in passing off are emanating from common law and not from the provisions of the Act and they are independent of the rights conferred by the Act. Rights granted by registration in the form of exclusivity are not absolute but a subject to the provisions of the Act. It was observed that Section 28(3) nowhere comments about the rights of passing off which shall remain unaffected due to over-reading effect of Section 27(2) of the Act and thus the right emanating from the common law shall remain undisturbed by the enactment of Section 28(3) of the Act. The Supreme Court of India continued to observe that the scheme of the Act is such where the right of prior user are recognised superior than that of the registration and even the registered proprietor cannot disturb or interfere with the right of the prior user. The overall effect of collective reading of the provisions of the Act is that the action for passing off which is premised on the rights of prior user generating a good-will shall be unaffected by any registration provided under the Act. To quote the relevant part of the judgment:

“30.3. Section 28(3) of the Act provides that the rights of two registered proprietors of identical or nearly resembling trade marks shall not be enforced against each other. However, they shall be same against the third parties. Section 28(3) merely provides that there shall be no rights of one registered proprietor vis-à-vis another but only for the purpose of registration. The said provision 28(3) nowhere comments about the rights of passing off which shall remain unaffected due to overriding effect of Section 27(2) of the Act and thus the rights emanating from the common law shall remain undisturbed by the enactment of Section 28(3) which clearly states that the rights of one registered proprietor shall not be enforced against the another person.”

In **N.R. Dongre & Ors. Vs. Whirlpool Corporation & Anr. [(1996) 5 SCC 714]** may be considered. In this case, the Appellant/Defendant had a registered trade mark “Whirlpool”. The Plaintiff/Respondent had been using the trade mark “Whirlpool” throughout the world and had registered the same in this country but subsequently that was not renewed. Because of non-renewal the Plaintiff/Respondent was not a registered proprietor of the trade mark “Whirlpool”. The Plaintiff had a long prior user name of “Whirlpool” coupled with trans-border, reputation and good-will. No plausible explanation was offered by the Defendants for recent adoption of the mark “Whirlpool”. The Single Bench granted a temporary injunction in favour of the Plaintiff which was finally upheld by the Supreme Court of India.

Interplay of Section 28, 29, 30 and 31 of the Trade Marks Act, 1999 by the Supreme Court of India in **Renaissance Hotel Holdings Inc. Vs. B. Vijaya Sai & Ors. [(2002) 5 SCC 1]**, in this case, the Appellant’s trade mark “Renaissance” was registered in relation to goods and services in Class 16 and Class 42 and the mark “Sai Renaissance” used by the Respondent/Defendant was identical or similar to the Appellant’s trade mark in relation to the goods and services similar to that of the Appellant/Plaintiff. The Supreme Court of India observed that there is a clear act of infringement in view of Section 29(9) of the Act. But facts of the instant case is different and demands differential consideration.

Section 34 of the Trade Marks Act, 1999 was considered by the Supreme Court of India in **Neon Laboratories Limited Vs. Medical Technologies Ltd. & Ors. [(2016) 2 SCC 672]**. The first user rule was explained by the Supreme Court of India in the context of Section 34 of the Act was explained that the first in the market test has always enjoyed pre-eminence:

“This section palpably holds that a proprietor of a trade mark does not have the right to prevent the use by another party of an identical or similar mark where that user

commenced prior to the user or date of registration of the proprietor. This “first user” rule is a seminal part of the Act. While the case of the respondent-plaintiffs is furthered by the fact that their user commenced prior to that of the appellant-defendant, the entirety of the section needs to be taken into consideration, in that it gives rights to a subsequent user when its user is prior to the user of the proprietor and prior to the date of registration of the proprietor, whichever is earlier. In the facts of the case at hand, the appellant-defendant filed for registration in 1992, six years prior to the commencement of user by the respondent-plaintiffs. The appellant-defendant was, thus, not prevented from restraining the respondent-plaintiffs' use of the similar mark PROFOL, but the intention of the section, which is to protect the prior user from the proprietor who is not exercising the user of its mark prima facie appears to be in favour of the respondent-plaintiffs.”

The Supreme Court of India considered **Whirlpool's** case as well as **S. Syed Mohideen's** case (supra) to emphasise that the prior users' rights will override those of a subsequent user even though it had been accorded registration of its trade mark.

In **S. Syed Mohideen's** case it was observed by the Supreme Court of India:

“**33.2.** We uphold the said view which has been followed and relied upon by the courts in India over a long time. The said views emanating from the courts in India clearly speak in one voice, which is, that the rights in common law can be acquired by way of use and the registration rights were introduced later which made the rights granted under the law equivalent to the public user of such mark. *Thus, we hold that registration is merely a recognition of the rights pre-existing in common law and in case of conflict between the two registered proprietors, the evaluation of the better rights in common law is essential as the common law rights would enable the court to determine whose rights between the two registered proprietors are better and superior in common law which have been recognised in the form of the registration by the Act.*”

Passing off is a common law action. In **Inter Lotto (UK) Ltd v Camlot Group Plc, [(2004) RPC 8, 171 (CD)]**, Laddie J, explaining the origin and development of passing off and trade mark rights, states the law as follows:

“Two or more centuries ago, the cause of action in passing off was dependent upon proof of fraud. With time, this requirement disappeared, at least in one form of the action, and it became dependent upon proof, *inter alia*, of misrepresentation. An early example of this is *Millington v Fox*. As Wadlow points out, by 1842 the term "passing off" was in use and the principles of the cause of action were defined by Lord Langdale MR in *Perry v Truefitt*, in terms which are familiar to the modern practitioner:

I think that the principle on which both the courts of law and of equity proceed, in granting relief and protection in cases of this sort, is very well understood. A man is not to sell his own goods under the pretence that they are the goods of another man; he can-not be permitted to practice such a deception, nor to use the means which contribute to that end. He cannot therefore be allowed to use names, marks, letters, or other indicia. by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person. I own it does not seem to me that a man can acquire property in a name or mark; but whether he has or not a penne the name or mark, I have no doubt that another person has not the right to use that name or mark for the purposes of deception, and in order to attract to himself the course of trade, or that custom, which without the improper act, would have flowed to the person who first used, or was alone in the habit of using the particular name or mark.”

In a series of cases in the middle of nineteenth century, it was considered that there was a right of property in trade marks. While the common law still required fraud, equity did not confine itself, to relaxing the standard of dishonesty required before it would intervene. In **S. Syed Mohideen’s** case three ingredients of passing off were considered, these are: (i)goodwill, (ii)misrepresentation and (iii)damage. These are classical trinitities as essential ingredients of passing off as per speech of Lord Oliver laid down in **Reckitt & Colman Products Ltd. Vs. Borden Inc. [(1990) 1 WLR 491]** which is more popularly known as “Jif Lemon”. Lord Oliver reduced the five guidelines laid down by Lord Diplock in

Erven Warnink Besloten Vennoot Schap Vs. J. Townend & Sons (Hull) Ltd.

[(1979) AC 731] (“the Advocaat case”) to three elements:

- (1) goodwill owned by a trader,
- (2) misrepresentation and
- (3) damage to goodwill.

Thus, the passing off action is essentially an action to deceit where the common law rule is that no person is entitled to carry on his or her business on pretext that the said business is of that of another. An action is passing off and ambit of such action had been considered by the Supreme Court of India in plethora of decisions. To mention a few in **Kaviraj Pandit Durga Dutta Sharma Vs. Navaratna Pharmaceutical Laboratories (AIR 1965 SC 980)** the Supreme Court of India considered basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark. In the matter under consideration before the Supreme Court of India there were complaints of both an invention of a statutory right as well as passing off. It was explained by the Supreme Court of India that while an action for passing off is a common law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another that is not the gist of an action of infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods. The use by the Defendant of the trade mark of the Plaintiff is not essential in an action for passing off but is the *sine qua non* in the case of an action for infringement. It was further observed:

“In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually,

phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.”

In Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd. [(2001) 5 Supreme Court Cases 73] the Supreme Court of India again considered the previous authorities and expounded the principle of passing off. The Supreme Court of India expressed that the decisions in last four decades had clearly laid down that what has to be seen in the case of a passing off an action is the similarity between the competing marks and whether there is likelihood of deception or causing confusion. The Supreme Court of India disagreed with the proposition that the principle of phonetic similarity has to be jettisoned when the manner in which competing words are written is different. It was expressed to the judgment that trade mark is essentially adopted to advertise once product and to make it known to the purchaser. It attempts to portray the nature and, if possible, the quality of the product and over a period of time the mark may become popular. It is usually at that stage that other people are tempted to pass off their products as that of the original owner of the mark. The Supreme Court of India referred to an observation made in **Wander Ltd. Vs. Antox India (P) Ltd. (1990 Supp SCC 727) :**

“16. An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In a passing-off action, however, the plaintiff's right is independent of such a statutory right to

a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a misrepresentation made by a trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably, causes damages to the business or good of the other trader.”

Cadila’s case was considered and referred to as well as relied upon by the Supreme Court of India in **Uniply Industries Ltd. Vs. Unicorn Plywood Pvt. Ltd. and Ors. [(2002) 5 Supreme Court Cases 95]**. In this case cross suits were filed by the Appellant and the Respondent claiming proprietorship of the trademarks “Uniply” and “Uniboard” in respect of their plywood products. Issue in this case was who was the prior user. An important observation was made that some courts indicate even prior, small sales of goods with the mark are sufficient to establish priority, the test being to determine continuous prior user and the volume of sale or the degree of familiarity of the public with the mark. *Bona fide* test of marketing, promotional gifts and experimental sales in small volume may be sufficient to establish a continuous prior user of the mark but on some other occasions the Court have classified small sale volume as so small and inconsequential for priority purpose. The Supreme Court of India considered the issue inasmuch as the arrear of the activity and the nature of goods dealt with or business carried on being identical and the trade mark being of similar nature the only question that needs to be decided is who is the prior user. In that case, the question to be decided the claim was that one of the parties that the Respondent alone had been using the trade mark since 1993 and the Appellant had entered into trade only from 1996. In this case, the Supreme Court of

India considered the prior user issue in the context that there were couple of year's gap and small's volume of sale of the goods.

A passing off action observed in **Khoday Distilleries Ltd. Vs. Scotch Whisky Assn. [(2008) 10 SCC 723]** and may be brought by those who fulfil the following requirements:

- i) the claimant himself owns or has a sufficient proprietary interest in the requisite goodwill, and
- ii) the goodwill so owned must be the goodwill which is really likely to be damaged by the alleged misrepresentations.

One argument raised by Ms. Shah, the Learned Counsel for the Defendant should also be addressed. It is argued that disclaimer by the Plaintiff of the word "Duro" dis-entitled him to an order of injunction or any other restraining order. This issue was considered by the Supreme Court of India in **Registrar of Trade Marks vs. Ashok Chandra Rakhit Ltd. (AIR 1955 SC 558)**. This case was decided in terms of trade mark Act, 1940. It was observed by the three Judges' Bench of the Supreme Court of India:

“9. The last feature of the section is its proviso. That proviso preserves intact any right which the proprietor may otherwise under any other law have in relation to the mark or any part thereof. The disclaimer is only for the purposes of the Act. It does not affect the rights of the proprietor except such as arise out of registration. That is to say, the special advantages which the Act gives to the proprietor by reason of the registration of his trade mark do not extend to the parts or matters which he disclaims. In short, the disclaimed parts or matters are not within the protection of the statute. That circumstance, however, does not mean that the proprietor's rights, if any, with respect to those parts or matters would not be protected otherwise than under the Act. If the proprietor has acquired any right by long user of those parts or matters in connection with goods manufactured or sold

by him or otherwise in relation to his trade, he may, on proof of the necessary facts, prevent an infringement of his rights by a passing off action or a prosecution under the Indian Penal Code. Disclaimer does not affect those rights in any way.”

In **Godfrey Phillips India Vs. Girnar Food & Beverages [(1998) 9 SCC 531]**, this principle was reiterated.

It was argued on behalf of the Learned Counsel for the Defendant that the word “DURO” is rather descriptive than distinctive, for which the Plaintiff is not entitled to be protected by injunctive relief. This point of argument is noted above. In **Godfrey Phillips India Ltd. Vs. Girnar Food & Beverages (P) Ltd. [(2004) 5 SCC 257]** this point came up for consideration before the Supreme Court of India. It was observed by the Supreme Court of India that a descriptive trade mark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or as being from a particular source. The issue came up for consideration in a subsequent case before the Supreme Court of India in **T.V. Venugopal Vs. Ushodaya Enterprises Ltd. & Anr. [(2011) SCC 85]**. The word “Enadu” literally means “today” or “this day”. The Defendant’s argument was that adjectives are generally descriptive words and nouns are generic words. It was held by the Supreme Court of India in this case that the word “Enadu” may be a descriptive word but had acquired a secondary meaning or subsidiary meaning and is fully identified with the products and services provided by the Respondent Company. In **Neon Laboratories Ltd. Vs. Medical Technologies Ltd. & Ors. [(2016) 2 SCC 672]** the Supreme Court of India considered the “first user” rule. This case was decided in a somewhat different contest of medicinal preparations where parameters are little different. Yet, the principle set out and discussed has relevance in the present context. The Supreme Court of India considered and referred to **N.R. Dongre Vs. Whirlpool Corporation [(1996) 4 SCC 714]** and **Milment Oftho Industries Vs. Allergan Inc. [(2004) 12 SCC 624]**. In **Whirlpool’s** case worldwide prior user was

given preference may predominate over the registered trade mark in India of the Defendant. In the **Milment** case the prior worldwide user had no registered trade mark in India but the court granted injunctive relief on the basis of the “first user” principle.

Coming to the case in hand, the Plaintiff has been using the trade mark “DUROPLY” and others for several decades prior to use of the trademarks with “DURO” prefix by the Respondent. There is no traversing of this fact. Because of this long term business on pan-India level, the Petitioner has definitely acquired goodwill, reputation and familiarity in plywood market. The Respondent, on the other hand, has been dealing with the same business of the plywood bearing names with prefix “DURO” without being so authorized by its article of association. It is not very clear that the Defendant embarked on business of plywood without being so authorized by the article of association. The Defendant started business in the year 2009 as claimed. Even though the term “DURO” is a general one, because of long user of “DURO” prefixed trade names or trademarks, a secondary meaning is attributable to the same indicating the source of goods. Since the Plaintiff is a prior user and started business several decades ago, he must enjoy the privilege of first user rule. At this interlocutory stage of the suit, there should not be conclusive finding that the classical trinity rule of passing off is applicable in this case. That is a matter to be decided on evidence. Still, as stated above, long user must have created a goodwill and reputation of the trade marks, owned by the Plaintiffs. There is every likelihood by common people to associate and confuse the trade mark of the Respondent with that of the Petitioners. The Respondent’s use of “DURO” prefix mark is deceptively similar *prima facie* which may mislead people to believe that they belong to the house of “DUROPLY”. It is basically riding over the goodwill and reputation of the Plaintiff because of such phonetic similarity of goods belonging to same class used by the same group of customers. *Prima facie*, the case reveals that the Defendants use of the trade mark is deceptively similar that of the

Plaintiff and *prima facie* there is an attempt by the Defendant to ride over the goodwill, build up by the Plaintiff over several decades.

Another limb of argument of Ms. Shah was that the right of the Petitioners to injunctive relief has been lost on the basis of the principles of estoppel and acquiescence because of their long hiatus to agitate any dispute or challenge the use of the trade mark by the Respondent. This argument has its own shortcomings. It is settled principle of law of torts that every breach of duty is a continuing action; every tortious act give rise to a fresh cause of action. No *prima facie* case has been set up by the Respondent that the Petitioner has acquiesced with or waived their rights against the Respondent. At this stage, there cannot be any abrupt conclusion on this issue though the Respondent is at liberty to adduce evidence to establish that point at trial.

Decisions of various High Courts, referred to and relied upon by Ms Shah, the Learned Counsel for the Respondent, were decided on specific facts and circumstances and of course subject to the principles laid down by the Supreme Court of India, as mentioned above.

This is a case where application for injunction is taken up as interlocutory remedy. Observations of the Supreme Court of India in **Wander Ltd. v. Antox India (P) Ltd., [1990 Supp SCC 727]** where grant of ad-interim order of injunction in trade mark infringement came up for consideration. The following observations are relevant:

“9. Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated

“...is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the ‘balance of convenience’ lies.”

“The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.”

The principal governing grant of injunction are well-settled and applicable here also. The Petitioners are long user as well as first user of the trade mark; the Petitioners are in use of the trade marks decades ago and use of the trade mark in question by the Respondent is rather, recent, tentatively from the year 2006. The Respondent’s Article of Association is silent on plywood and related business venture of the Respondent. Although the word “DURO” is a general or descriptive word, long use of the word as prefix must have attributed a secondary meaning. A likelihood of deception, misplaced trust as well as confusion of the customers are strong. It is not very much important whether the registration was in respect of device mark or word mark. The thing that matters in consideration of passing off is misrepresentation as goods of one person as those of others. Associating the goods of one person with those of others. It is a case which affects goodwill and reputation. The customers may associate the product of the Respondent as that of the Petitioner. Embarking on plywood business by the Respondent without being so authorised by the Article of Association does not indicate any *bona fide* act. If allowed to

continue, the Respondent may ride over the goodwill created by the Petitioner over decade and exploit the same for benefit. Therefore, not *status quo*, but it is a fit case where an appropriate restraining order should be passed. The above factual position warrants and justifies a conclusion that the Petitioner is able to establish a *prima facie* case, showing the scale of balance of conveniences and inconveniences as well as irreparable loss and injury weigh in favour of the Petitioners.

In nutshell, for reasons aforesaid, the instant application is allowed.

The Respondent, its men, servants and agents are hereby restrained from using the mark “DURO TOUCH” or “DURO” or any other mark, identical or deceptively similar to the Petitioners’ registered trade mark “DURO” in respect of ply boards and other items mentioned in prayer “A” and “B” of the Petition, in any manner whatsoever, till further order.

It is clarified that views expressed above are tentative and would not affect the merit of the suit which would be decided on evidences adduced.

GA 1 of 2020 stands disposed of.

The suit may be placed before the Bench having determination of Intellectual Property Division.

(SUGATO MAJUMDAR, J.)