

Caterpillar Inc., U.S.A. Vs. Jorange and Another

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Court : Chennai

Decided On : Oct-01-1997

Reported in : 1997(3)CTC407; (1998)IIMLJ105

Judge : R.R. Jain and ;Shivaraj V. Patil, JJ.

Appeal No. : O.S.A. No. 166 of 1997

Appellant : Caterpillar Inc., U.S.A.

Respondent : Jorange and Another

Advocate for Def. : Sh. G. Masilamani, Adv.

Advocate for Pet/Ap. : Sh. C.A. Sundaram, Adv.

Judgement :

Shivaraj Patil, J.

1. This appeal is filed by the plaintiff in C.S. No. 785 of 1996 aggrieved by the order dated 25-3-1997 passed by the learned single Judge in O.A. No. 639 of 1996 in the said suit. In this order, we will refer to the parties as they are described in the suit, for convenience.

2. The plaintiff has filed the said suit C.S. No. 785 of 1996 seeking mainly a decree for perpetual injunction restraining the defendants, their proprietor/partners, their

servants, agents, distributors, stockists, representatives or any of them from in any manner passing off or enabling others to pass off the defendant's jeans, shirts and other articles of clothing as and for the plaintiff's jeans, shirts and other articles of clothing by use of the trade mark CAT and CATERPILLAR or any mark similar thereto in any other manner whatsoever.

3. In the said suit, O.A. No. 639 of 1996 was filed for grant of an ad interim/ temporary order of injunction restraining the defendants in terms of the main relief sought in the plaint. Application No. 4430 of 1996 was filed by the plaintiff praying to appoint an Advocate Commissioner to visit the premises of the respondents at No. 9, 1st Floor, A.R.K. Colony, Eldams Road, Teynampet, Madras-18, and at No. 31, K. Veni Complex, Second Floor, Commercial street, Bangalore-1, and the premises of their sons, sons-in-law, daughters, daughters-in-law, wife, stockists, transporters and dealers, seize, jeans, shirts, articles of clothing cartons, labels, prints, blocks, dyes, bags, plates, moulds, stickers and other material bearing plaintiff's trade mark CAT and CATERPILLAR as well as books of accounts, etc.

4. The learned single Judge, after hearing both the parties, held that the plaintiff did not make out any prima facie case for grant of injunction, dismissed both the applications O.A. 639 of 1996 and 4430 of 1996. The plaintiff, as already stated above, has filed this appeal against the order, rejecting O.A. No. 639 of 1996 by the learned single Judge which application was made for grant of ad-interim temporary injunction.

5. Briefly stated, the facts which are considered relevant and necessary for the purpose of disposal of this appeal are the following :

The plaintiff is the proprietor of the trade mark 'CATERPILLAR' and 'CAT'. The registration of the said mark is valid and subsisting. Caterpillar Tractor Company was incorporated in the United States of America. The trade mark has become well known around the world primarily for the manufacture of heavy machinery for the construction, mining road building and agricultures industries. The plaintiff also manufactures and sells a wide range of garments including sweaters, jackets, shirts etc. They also manufacture and sell sun-glasses, sporting goods, etc. along with boots.

6. The plaintiffs although are selling their earth moving equipments, construction and road building equipments in India, they are not selling the articles of clothing. However, their articles of clothing are well-known in India since the same is being advertised in magazines such as 'MR' which has circulation all over the world. The plaintiff's clothing articles are sold in several countries all over the world. Their trade marks enjoy a great reputation and goodwill in India in respect of garments, caps and articles of sporting. The trade mark is exclusively identified by the trade and public with the plaintiff.

7. The defendants are engaged in manufacturing and selling articles of clothing including jeans under the trade mark 'CAT' and 'CATERPILLAR' which amounts to copying the plaintiff's trade mark. Thus, the use of the identical trade mark by the defendants was bound to cause confusion and deception among the trade and public. Under such circumstance, the suit is filed for the relief as stated above.

8. The defendant No. 2 has filed a common counter affidavit opposing the applications stating that the plaintiff is not marketing the garment products in India, and the advertisement produced by them relates only to their marketing of heavy machineries in India. There is no documentary evidence to show either regarding the manufacture of their garment products or marketing them in India. Further even with regard to the trade mark, it cannot be said that they are similar and the public will be deceived by the defendant's products with that of the plaintiff. By merely producing one magazine, it cannot be said that the plaintiff's clothing products have been advertised throughout India, and the people of India are familiar with or have knowledge about their goods. The plaintiff cannot be said to be aggrieved by the use of the trade mark by the defendants when they are not manufacturing or marketing their clothing products in India. There is also no material before the Court to prove that the plaintiff's goods are well known in U.S.A. or any other parts of the world. Their goods have not acquired distinctiveness as claimed. Unless the plaintiff reserves his exclusive right for the trade mark, the claim for passing off cannot be sustained, and thus, they have failed to make out a prima facie case for grant of any interim order. Shri C. A. Sundaram, learned senior counsel for the plaintiff reiterated his submissions made before the learned single Judge, and so also Shri G. Masilamani, learned senior

counsel for the defendants made submissions justifying the order under appeal. He also reiterated the submissions made before the learned single Judge.

10. The learned single Judge, in paragraph 9 of the order under appeal, has noticed that although the plaintiff's grievance is that the defendants are using the trade mark 'CATERPILLAR' and 'CAT' registered by them, from the materials available, it is clear that the name 'CATERPILLAR' may be very famous and very familiar among Indians so far as heavy duty vehicles are concerned; even reading of the counter affidavits of the defendants also would make it clear that the defendants do not seriously dispute that heavy vehicles of the plaintiffs in the name of Caterpilliar are well-known even among Indians; and further the learned counsel for the defendants admitted the same position as recorded by the learned single Judge the same paragraph of the order; and some of the advertisements produced by the plaintiffs are in the name of 'CATERPILLAR' and 'CAT' and some only relate to the name of 'CAT'.

11. The learned single Judge, having stated so, has taken the view that in order to bring out an action for passing off, it is the duty of the plaintiff to establish that those advertisements have been made in India, and that the people in India are familiar with the trade marks of the applicant in respect of the garments. The learned Judge thought that in order to grant injunction it was necessary for the plaintiff to establish that the advertisements had to be made in India in regard to garments.

12. In the case of Daimler Benz Aktiegesellschaft v. Hybo Hindustan : AIR1994 Delhi239 , the manufacturers of 'Mercedes Benz' car sought for an order of injunction for the infringement of the trade mark i.e., three pointed star in circle/ring and the word 'Benz'. The High Court of Delhi granted injunction against the defendants who manufactured and sold their underwear apparels by using the name 'Benz', although the manufacturers of Mercedes Benz car were not manufacturing and selling garments or underwear apparels. The learned single Judge in his order has stated thus :

'In my view, the trade mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods,

especially so when the reputation extends worldwide. By no stretch of imagination can it be said that use for any length of time of the name 'Benz' should be not objection to.

In the instant case, 'Benz' is a name given to a very high priced and extremely well engineered product. In my view, the defendant cannot dilute, that by user of the name 'Benz' with respect to a product like underwears.'

The defendant in that case preferred appeal against the order of single judge granting injunction. The Division Bench of Delhi High Court granted stay of the operation of the order of the learned single Judge, against which order the plaintiff preferred appeal to the Supreme Court in S.L.P. (C) No. 7450 of 1994. The Honourable Supreme Court set aside the order of the Division Bench of the Delhi High Court and directed disposal of the appeal within three months. In other words, the order of the learned single Judge granting injunction was upheld by the Supreme Court.

13. The learned single Judge, in this regard, accepted the submission of the learned counsel for the defendants that the said decision did not help the plaintiff because it was an order made at the interlocutory stage, and the same could not be taken as conclusive. No doubt the order was made by the learned single Judge of the Delhi High Court granting injunction and it was an interlocutory order. But since the Apex Court upheld that order, it could be taken that injunction could be granted restraining the defendants from using the well known or reputed name of the plaintiff, though such a name may not be in regard to the same product. In that case the plaintiff was manufacturer of Benz cars but the injunction was granted restraining the defendants from using the name of 'Benz' or the mark, in relation to the underwear apparels manufactured by the defendant.

14. In the case of Kamal Trading Company v. Gillette U.K. Ltd. (1988) IPLR 135 Gillette U.K. Limited, manufacturer of 7 O'clock blades sought for an injunction restraining the defendants from using their trade name '7 O'clock' by the defendants for their produce of Tooth brushes. Injunction was granted and the same was confirmed in appeal by the Bombay High Court. In that case the court found that the plaintiffs in that suit had been using the trade mark 7 O'clock for the

safety razors, shaving cream, shaving brushes etc., and as such they had acquired extensively reputation all over the world including India; as such the use of the trade mark 7 O'clock by the defendant may lead to the customer being deceived. Even though the plaintiffs were not the manufacturers of the tooth brush, still injunction was granted.

15. The learned single Judge, in our view, wrongly accepted the submission of the learned senior counsel for the defendants that there was no question of the public mistaking the goods of the defendants as that of the plaintiff for the reason that the trade mark 'CATERPILLAR' of the plaintiff is being used only for the heavy duty vehicles, and that the plaintiff is using the word 'CAT' and 'CATERPILLAR' only for the garments which are in the foreign market. The learned Judge has stated that the mark used by the plaintiff for the garments is different and unless it is able to establish that the people in India are very familiar with the trade mark used by the applicant for their garments, they are not entitled for an order of injunction. This view of the learned single Judge is not consistent with the judgment of 'Gillette U.K. Limited' aforementioned. The learned Judge has also observed that the defendants are not using the words 'Caterpillar' alone in their garments, but they are using both 'CATERPILLAR' and 'CAT' whereas the plaintiff's trade name is 'CATERPILLAR' in India. From the records it is clear the plaintiff's trade name is both 'CATERPILLAR' and 'CAT'.

16. Yet another judgment of the Delhi High Court in N. R. Dongra v. Whirlpool Corporation 1996 PTC (16) 476 was confirmed by the Apex Court 'Intellectual Property cases Vol. 2 P. 87. In that case the plaintiff Whirlpool Corporation sought for an injunction against the defendants from using the trade mark 'Whirlpool' for the products of washing machine. Although the plaintiff was not manufacturer or dealer of washing machines, still the courts have granted injunction on the ground that the defendant was attempting to pass off the goods by using the trade mark 'Whirlpool'. This judgment was held not applicable to the plaintiff's case on hand, stating that the defendant in that case had been using various other trade names for their trade product washing machines, and having failed to establish their business they adopted the plaintiff's name recently; but in the present case it is not the case of the plaintiff that the defendants had used any other name for their

garments, and having failed to establish their business under such trade names, they are attempting to pass off their garments by using the plaintiff's trade mark. We are unable to agree with the distinction made by the learned single Judge. On the other hand the ratio of the said judgment supports the case of the plaintiff.

17. The learned senior counsel for the plaintiff urged that for passing of action, the actual damage need not be proved, and the only question to be considered is whether the defendants are passing off their goods as that of the applicants. The learned single Judge accepted this submission, supported by the decision in *Century Traders v. Roshan Lal Duggar* : AIR1978 Delhi250 .

18. In paragraph 18 of the order under appeal, the learned single Judge has stated that the trade mark of the plaintiff 'CATERPILLAR' is familiar in respect of heavy duty vehicles in India and not otherwise. That is also a factor in favour of the plaintiff.

19. The learned single Judge has held that there is no possibility for the people mistaking either for the garments or otherwise of the defendants as that of the plaintiff. We think it appropriate to extract paragraph 19 of the order of the learned single Judge in this regard, which reads.

'Even coming to the similarity of the trade mark, of course, this may have a relevance for infringement. I am of the opinion that there is no similarity of the trade mark. Further more, there is absolutely no materials to show that the labels attached to the garments of the plaintiff bears the name 'CATERPILLAR'. The photos with regard to the plaintiff's garments as well as the respondents' garments marketed in the typed set of the applicant clearly reveals that the applicant is using the label with the word 'CAT' in their garments. The 'CATERPILLAR' is only a printed slip or card attached to the garment; whereas the respondents are using the label 'CATERPILLAR' in their labels stitched with the garments. The 'CAT' is only a label that too is only a card attached to the garments. Normally in purchasing the garments, it is a known fact that the people would identify the garments with the name printed in the label stitched with the garments and not otherwise. On this ground also it can be said that there is no possibility for the people mistaking either for garments or otherwise of the respondents as that of the

applicant.'

20. Looking to the photographs of the garments of the plaintiff and the garments of the defendant with their labels, and on actually seeing the samples of the garments produced before us, we have no hesitation to say that there is possibility of the people mistaking the garments of the defendants as that of the plaintiffs. Whether the labels are stitched with the name 'CAT' or 'CATERPILLAR' to the garments themselves or printed slips or cards are attached to the garments, from the view of the customers it does not make much difference, and they are likely to be misled.

21. It is stated that the plaintiff's trade mark 'CATERPILLAR' and 'CAT' are registered in over 175 countries all over the world. The trade mark 'CAT' was registered in No. 139717 dated 20th July, 1949 in Class 7; and the trade mark 'CATERPILLAR' was registered in No. 10296 dated 4th January, 1943 in class 7. The trade mark 'CATERPILLAR' was registered in No. 10209 dated 4th January, 1943 in Class 12 also in respect of tractors, tractor engines, and equipment and fittings, etc. These registrations are still valid and subsisting.

21-A. For the arguments of the learned senior counsel for the defendants that there is no evidence to show that the garment product of the plaintiff were available in India, the learned senior counsel for the plaintiff immediately submitted that number of Indian who visit countries like United Kingdom and United States of America do get the garments of the plaintiff, and the garments of the plaintiff spill over to this country. The plaintiff also has applied for registration of the trade mark in respect of their garments in India. The defendants have started manufacturing and selling the garments in big way in the name of 'CAT' and 'CATERPILLAR' since very recently i.e., in 1996.

22. In the normal course, in appeals, the discretionary orders passed in the matter of granting or refusing injunction are not interfered with. But in the case on hand, the exercise of discretion by the learned single Judge in dismissing the application filed by the plaintiff for grant of injunction was the result of non-application of the settled principles of law governing exercise of such discretion. In our view, the plaintiff have made out a prima facie case having regard to the trans-border

reputation established by it, undoubtedly with regard to heavy duty vehicles all over the world, and in several countries even with regard to garments in the trade mark of 'CATERPILLAR' and 'CAT'

23. The balance of convenience is also in favour of the plaintiff, inasmuch as, if injunction order is not granted, the plaintiff will be put to great hardship as the defendants have started manufacturing and selling their garments in the names of 'CAT' and 'CATERPILLAR' recently. Further if the injunction order is not granted, the plaintiff may be put to irreparable loss also.

24. In the result, for the reasons stated, we allow this appeal, and set aside the order under appeal passed by the learned single Judge. Consequently we allowed O.A. No. 639 of 1996 in C.S. No. 785 of 1996, and grant injunction as prayed for. No costs.

25. Appeal allowed.

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