

Mars Incorporated Vs. Chanda Softy Ice Cream and ors.

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Court : Chennai

Decided On : Jan-29-2001

Reported in : AIR2001Mad237

Judge : A. Ramamurthi, J.

Acts : [Code of Civil Procedure \(CPC\) , 1908](#) - Order 39, Rules 1 and 2; [Trade and Merchandise Marks Act, 1958](#) - Sections 29

Appeal No. : C.S. No. 718 of 1999, Original Application Nos. 579 and 580 of 1999 and Application Nos. 3446 to 344

Appellant : Mars Incorporated

Respondent : Chanda Softy Ice Cream and ors.

Advocate for Def. : R. Thiagarajan, Adv.

Advocate for Pet/Ap. : A.A. Mohan, Adv.

Judgement :

ORDER

A. Ramamurthi, J.

1. Original Applications Nos. 579 and 580 of 1999 are filed by the plaintiff for interim injunction restraining the defendants and their men from in any manner

passing off or enabling others to pass off the defendants' business and goods as that of the plaintiffs by use of GALAXY and MILKY WAY or any mark similar thereto in respect of ice creams, frozen foods, snack foods and also to restrain them from in any manner infringing the applicants' registered trade mark GALAXY and MILKY WAY or any mark similar to that pending disposal of the suit.

2. Applications Nos. 3446 to 3449 of 2000 have been filed by defendants 1 to 3 to suspend the order of interim injunction and also to vacate the order of interim injunction granted in O. As. 579 and 580 of 1999 dated 23-9-1999.

3. The case in brief for disposal of all the applications is as follows :

The plaintiff is a world leader in branded snack foods, petcare products, main meal foods, electronic payment systems and drinks vending. They employ approximately 28000 persons with manufacturing facilities in more than 30 countries. The plaintiffs' chocolates and confectionery under the trade mark MARS are sold in several countries all over the world including India. The trade mark forms a predominant feature of the plaintiffs' corporate name and trading style. .

4. The plaintiffs adopted the said trade mark MILKY WAY in respect of chocolates in 1923, in respect of ice creams in 1989. The plaintiffs' MILKY WAY and GALAXY chocolates and confectioneries are sold in bonded warehouses, duty free shops and customs notified shops all over India. They are freely available in Haryana Tourism Shops, in shops in Five Star Hotels and in several departmental stores. They are also sold in abundance at Burma Bazaar and Kasi Chetty Street in the city of Chennai. The sales figures in India during the period as well as the advertisement expenses are also separately furnished. The plaintiffs' trade mark MILKY WAY is registered in India and the registrations have been duly renewed and they are still valid and subsisting. They have also applied for registration of the said trade mark in respect of rice, cereal and cereal preparations, tea, coffee, cocoa, coffee essences, coffee extracts, mixtures of coffee and chicory and chicory mixtures, etc. They have also applied for registration of the trade mark MILKY WAY in respect of the very same articles. These applications are also pending before the Registrar of Trade Mark. The plaintiff is also the proprietor of the trade mark GALAXY in respect of the chocolates in 1960 and ice creams in

1990. They also registered the trade mark GALAXY in India in respect of rice, cereal, tea, coffee, cocoa, etc. and non-medicated confectionery chocolates. The International sales figures of the plaintiffs' chocolates, frozen snacks are also separately given. Their trade mark MILKY WAY and GALAXY are registered in more than 100 countries all over the world.

4A. The plaintiffs' trade mark including MILKY WAY and GALAXY have additionally acquired reputation and goodwill in Chennai and other parts of India by virtue of the fact that a large number of Indians travel out of India and return to their country. Such persons are exposed to the applicants' brands not only through television and magazines but also by virtue of the fact that the applicants' goods are available in almost all major countries of the world. Large number of Indians who travel abroad purchase the applicants' goods and carry them back as presents or part of their personal baggage. They are also available for sale at many duty free shops at major airports around the world. They are also extensively advertising their trade marks in several International magazines which have a large circulation in India such as Cosmopolitan, Woman's Day, The National Weekly, etc. Many of these magazines are brought into India and distributed to subscribers by leading book distributors. The products of the applicants are also popularised by virtue of the applicants' extensive involvement in sporting activities. The applicant firm was the sponsor of the Barcelona Olympics in 1992 as well as 1990 Football World Cup in Italy and the last Football World Cup in France. They were extensively covered in India not only on television but also by the print media. In view of International travel having become easy and accessible several Indians visit abroad to watch these sporting events. They are also extensively advertised on Satellite Television Channels.

5. The applicant had established a very wide establishment among the Indian public. The applicant filed a suit before this Court in C. S. No. 435 of 1998 against Chanda Confectioners carrying on business at Chennai and obtained an ex parte order of interim injunction also. The respondents are trying to mislead the Court by claiming that they have no connection with Chanda Confectioners. However, they continue to use and violate the statutory rights of the applicant in the trade marks MILKY WAY and GALAXY with impunity. They are selling ice creams, frozen

foods and snack foods under the trade marks MILKY WAY and GALAXY, which is bound to cause confusion and deception among the trade and public. They are also using these marks with a view to pass off and enable others to pass off the respondents' goods and business as that of the applicant. The respondents are using the said trade marks with dishonest intention and the name board, hoarding, sign board used by the respondents bear the wording 'MILKY WAY GALAXY OF ICE CREAMS'. A purchaser would enter the respondents' ice cream parlour/shop assuming it to be an outlet opened by the applicant. The adoption and use by the respondents of the trade marks is dishonest and mala fide and is with a view to exploit and take an unfair advantage of the applicants' goodwill and reputation. The goods in question being food items, the likelihood of damages to the applicant is immeasurable and irreparable. The respondents are not likely to be maintaining the level of hygiene or quality that the products of the applicant are subjected to. The activities of the respondents are causing irreparable harm and injury to the applicant as a manufacturer and merchant of high quality goods. The applicants have got prima facie case and the balance of convenience is also in their favour. Hence, the petitions.

6. Respondents 1 to 3 filed a common counter-affidavit and denied the various averments. The applicant/plaintiff has not complied with Order 39, Rule 3 of Civil Procedure Code properly. The suit as well as the applications are nothing but a sheer abuse of process of Court. The very same plaintiff acting through then Power Agent Mrs. Brinda Mohan filed C. S. No. 435 of 1998 as against the same parties for identical reliefs. Subsequently, they also filed a contempt application. Now, the present suit is barred under Order 2, Rule 2 of Civil Procedure Code. They are not aware whether the plaintiff firm has registration in respect of the food stuffs including non-medicated confectioneries, chocolates, etc. They have never come across the products manufactured and marketed by the plaintiff. The first defendant firm is manufacturing ice cream products without any brand name and the shop is under the trade name Milky Way Galaxy of Ice Creams at Commander-in-Chief Road, Egmore, Madras. The plaintiff it appears are manufacturers of chocolates and confectioneries and it seems they are sold in European and other countries but not in India. The plaintiff has neither established nor made out a case much less a prima facie case.

7. These respondents prepare ice creams instantaneously and they are supplied to the customers across the counter. They are sold without any brand name or trade name and they are dealing with ice creams since 1994. They never adopted the trade mark MARS or GALAXY or MILKY WAY. They have also filed written statement. The plaintiff has not come to Court with clean hands and, as such, is not entitled to the discretionary relief of injunction. The applicant has initiated proceedings through the clerk of the plaintiffs counsel, who has sworn to the affidavit. There is no registration of the trade mark or trade name in India for the icecreams. They have invested substantial amount in the business and have built up lucrative business over the years. If an order of interim injunction is granted, they would be put to much loss and hardship and on the contrary, no prejudice or injury would be caused to the plaintiff. They shall maintain true and proper account of their sales if necessary. They have been in the trade and displaying the board ever since 1994 and are honest and concurrent user of the said name. The word Milky Way is not the plaintiffs creation. They cannot proceed as against the agent of the disclosed principal who happens to be Advocate's Clerk who may leave his employment at any moment and they will not be in a position to proceed as against him for damages at a later date. The conduct of the plaintiff is a relevant factor while considering the discretionary relief of injunction in a suit for infringement of trade mark and passing off. These respondents have filed separate applications to vacate the order of interim injunction granted in O. A. 579 and 580 of 1999 and also to suspend the order of interim injunction. Hence, the application filed by the plaintiff are liable to be dismissed.

8. The plaintiff filed a reply affidavit denying the allegations in the counter filed by the respondents.

9. Heard the learned counsel of both sides.

10. The points that arise for consideration are

(1) Whether the plaintiff has got prima facie case and the balance of convenience is in its favour?

(2) Whether the interim injunction already granted is liable to be vacated? (3) To what relief?

11. Points : MARS INCORPORATED, a Company situate at Virginia, U.S.A. represented by its Power of Attorney Thiru A. Arul Selvan, has filed the suit and O.A. 579 and 580 of 1999 claiming the relief of interim injunction restraining the respondents from passing off or enabling others to pass off the respondents' business and goods as that of the applicants by use of GALAXY and MILKY WAY or any mark similar to that and also to restrain them from in any manner infringing the applicants' registered trade mark. The applicant adopted the trade mark MILKY WAY in respect of chocolates in 1923 and in respect of ice creams, the trade mark MILKY WAY was adopted in 1989. Learned Senior Counsel for the plaintiffs contended that their products are sold in various countries throughout India and they have acquired the reputation and goodwill. The particulars of annual sales turnover as well as the expenses incurred towards advertisement are separately given. Their trade mark MILKY WAY is also registered in India in respect of chocolates and biscuits and they are still valid and subsisting. They have also applied for registration of the said trade mark in respect of other products also in January, 1994 and they are pending. Similarly, the applicant is also the proprietor of trade mark GALAXY in respect of chocolates in 1960 and ice creams in 1990- This mark is also registered in India on 31-10-1960 in respect of other products.

12. Learned Senior Counsel also further stated that the trade marks are widely published in reputed newspaper as well as in television and, as such, there is every possibility for all the persons to know about their products as well as the trade mark/trade name. Their trade mark was also extensively advertised in several International magazines which have large circulation in India also. They have also popularised the same through sporting activities. While this being so, the defendants are using the trade mark/ trade name of the applicant relating to ice creams and there is every possibility for an unwary purchaser to be misled as if the products of the applicant are sold by these respondents. They are also trying to mislead the court by saying that they are selling ice creams without any brand name; but, at the same time, they have named their shop as Galaxy and Milky Way. It is a calculated attempt on the part of the defendants to mislead the public

and to cause loss to the applicant. Under the principle of transborder reputation, the plaintiffs are entitled to the relief of injunction even though they are not manufacturing ice creams in India.

12A. Per contra, learned counsel for the defendants contended that the power of attorney given by the plaintiff counsel is not valid under law. Moreover, after the order of ex parte interim injunction, provision under Order 39, Rule 3, CPC has not been duly complied with. Even assuming that the plaintiffs have got registered trade mark relating to chocolates and ice creams in other countries, there is absolutely no manufacturing activity relating to the ice creams in India and under the circumstance, the plaintiff have no prima facie case. On the other hand, the balance of convenience is only in favour of the defendants since they are dealing in the ice crams since May, 1994. When the plaintiff company is not manufacturing and selling ice creams in India, they have no right whatsoever to claim the relief of interim injunction against the defendants and, as such, interim injunction already granted is liable to be vacated. On earlier occasion, one Mrs. Brinda Mohan as power of attorney or the plaintiff, filed a similar suit against the first defendant, and as such, the present suit is also barred under Order 2, Rule 2 of the Civil Procedure Code. They have invested substantial amount in the business and if an order of interim injunction is allowed to continue, they would suffer much loss and hardship. They have been displaying the board Milky Way Galaxy of Ice creams since 1994 and they are the honest and concurrent user of this name for ice creams.

13. The plaintiff has to establish that they have got prima facie case and the balance of convenience is in its favour. The plaintiff has filed typed set of documents to show that their trade mark or trade name has been registered on earlier occasion and they have been widely published and advertised in various magazines. Perusal of the entire documents only indicates that their trade mark/trade name has been registered by the plaintiff well anterior in point of time and their products have acquired good will and reputation throughout the length and breadth of various countries. They have also sponsored various sports activities in which their trade mark had been widely published and also covered in the Television channels. The overwhelming documentary evidence filed on the

side of the plaintiffs only indicates that so far as the trade mark/trade name is concerned, they have got a prima facie case.

14. The main objection put forward by the learned Counsel for the defendants is that the power of attorney Thiru Arul Selvam is not competent to file the suit as well as the applications. It is contended that he is only the recognised Clerk of the plaintiff counsel and he is not competent to file the suit for and on behalf of the plaintiff company. In the present case, the power of attorney validly given by the plaintiff has been filed in the court and furthermore, the truth and validity of the same can be considered only during the course of trial. No doubt, the plaintiff had filed earlier suits by giving power of attorney to Mrs. Brinda Mohan, said to be the wife of the plaintiffs counsel. The plaintiff company is competent to give power of attorney to any person whomsoever they like and it is a prerogative right of the plaintiff company and the defendants have no right whatsoever to interfere with the same. Simply because the power of attorney may not have any personal knowledge relating to the amount spent towards advertisement expenses or about the sales turnover, it will not affect his right in projecting the case. Under the circumstance, I am of the view that the question relating to the power of attorney cannot be made much of so as to decide these applications on merits.

15. Learned counsel for the defendants next contended that they are selling the ice creams by manufacturing the same instantaneously without any brand name and selling it to the customers. They are not using the trade mark of the applicant in respect of the ice creams. Prima facie the contention appears to have some force; but at the same time, the documents and the inconsistent stand taken by the defendants would only establish that their stand is incorrect. Even in para 10 of the counter-affidavit, it is clearly stated that their shop is under the trade name 'Milky Way Galaxy of Ice Creams'. What was the necessity to have such a name has not been properly explained. The defendants have obtained a licence from the competent authorities, but it does not contain these names. On the other hand, it has been given only as 'Chanda Soft Ice Creams'. It is, therefore, prima facie clear that the shop has been named using the trade mark/ trade name of the applicants. Only to mislead the customers of the ice creams to think that the products sold in the shop representing the products of the reputed plaintiffs' trade mark. An unwary

purchaser is bound to be misled in view of the advertisement made in the board. The documents filed on the side of the defendants also established that they have also advertised using the trade name or service mark of the plaintiff in all possible ways to damage the reputation and goodwill of the applicant and also to cash the same as much as possible. The only contention raised by the learned counsel for the defendants is that the products of the plaintiff are not sold in India with the said trade mark relating to the ice creams and under the circumstance, they have no right to restrain the defendants from using the names in the board. He also relied on the decision reported in *Farook, M. P. v. State of Tamil Nadu*, 1995 Writ LR 706 for the proposition that if there is suppression of material fact deliberately in a writ petition, the petitioner is disentitled to the relief. He also relied on *Bharat Enterprises (India) v. C. Lall Gopi Industrial Enterprises*, that in respect of passing off action, the word Heat Pillar is a generic word for room heaters. No manufacturer can have exclusive right to use these words and as no similarity between trade marks of the plaintiff and the defendant, temporary injunction could not be granted. There is no dispute about the principles in both the decisions but they have no application to the case on hand.

16. The defendants also placed reliance upon the decision in *Westinn Hospitality Services Ltd. v. Caesar Park Hotels and Resorts Inc.* 1990 PTC (19) 430 wherein it was observed that use of trade name or service mark as part of its corporate name, the user undertaking not to use the offending portion in isolation and permission granted to use the name as part of corporate name with the declaration that it has no connection with the other company. Evidently this decision is also not applicable to the case on hand because in the case referred to, the word Westinn was used by the defendant and before the Apex Court, the learned senior counsel for the defendant made a statement that the party undertakes not to use the word 'Westinn' in isolation and that it will use it only as part of the corporate name of the petitioner in the letterheads and advertisements. Now, it is not the case of the defendants that it will be used only for the limited purpose; but now the name of the shop of the defendants only bears the trade mark/trade name of the plaintiff and at the inception itself, any purchaser of ice creams is bound to be misled.

17. Learned Senior counsel for the plaintiff relied on the decision given by the Bombay High Court reported in Kamal Trading Company v. Gillette U. K. Ltd. relating to the trade mark 7 O' Clock. The original plaintiffs were the proprietors of trade mark for 'safety razors' 'safety razor blades etc.' but the appellants started using trade mark '7 O'Clock' for 'tooth brushes. Interim injunction was granted by the trial Court in favour of the plaintiffs and the appeal was dismissed, the principle as applicable to the case on hand. (Appeal No. 1092 of 1986 dated 25-9-1987).

18. Learned Senior Counsel for the plaintiff also relied upon on an unreported judgment of the Bombay High Court in Appeal No. 1116 of 1987 dated 5-10-1987 relating to Yardley powder. It has acquired reputation and the said trade name was used by other company in respect of tooth brushes and, as such, interim injunction was granted, considering the modus operandi of the defendants in passing off their goods coupled with the fact that the said trade mark YARDLEY has acquired reputation in India.

19. Learned senior counsel for the plaintiff also relied on N. R. Dongre v. Whirlpool Corporation 1996 PTC (16) 583. This case is mainly based upon the theory of transborder reputation. Halsbury's Laws of England (Vol. 48 para 156) was also considered and it reads as follows :

'Whether actual trade need have commenced. A passing off action can be sustained prior to the actual commencement of trading by the plaintiff. A plaintiff may acquire a substantial reputation prior to making sales of a product or service because of advance advertising and press publicity and, in such a case, may sue others who seek to trade on the reputation which he has acquired. A company may in some circumstances acquire a reputation and goodwill that is able to be protected even before its formal incorporation and within hours of the announcement of its intended formation. Where a plaintiff has incurred considerable expense making preparations for the launch of a product which will rapidly acquire a reputation once launched, a defendant who commences advertising before the plaintiff with the intention of defeating the plaintiffs acquisition of an exclusive right to the mark concerned may be restrained by an order of injunction.'

It has been further stated that 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 plaintiffs 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 unfairtrading 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.

20. It is therefore clear from the aforesaid decisions that the reputation of a trader, trading or carrying on the business in another country, can travel to a country where he had carried on business. The transborder reputation can be on the basis of the extensive advertisements and publicity. Such a trade could obtain injunction in a court where he was not trading to protect his reputation. The Indian Courts also recognise the existence of transborder reputation. If there is likelihood of the offending trademark invading the proprietary right, a case for injunction is made out.

21. Learned Senior Counsel for the plaintiff also relied on a Bench decision of this Court in *Cater-Pillar Inc. v. Jorance* 1998 PTC (18) 31 and this decision was also given based upon the theory of transborder reputation. In view of the decisions cited supra and also the discussion, it is manifestly clear that the plaintiff company has obtained the goodwill and reputation throughout the country relating to the trade mark/ trade name and the defendants are now using the said trade mark/service mark and had prima facie infringed the said mark as well as passing off of the goods as that of the applicant. Although the plaintiff company is not dealing in ice creams in this place, yet, on the ground of the principle of transborder reputation. I am of the view that the plaintiff company has got prima facie case and the balance of convenience is also only in their favour. The defendants are obviously attempting to gain illegally by using the name for the shop and, as such, they should be restrained. In fact, the defendants have categorically stated that they are selling the ice creams without any brand name and this being so, what was the necessity for using the applicant's trade mark to the name of their shop and it would only expose the mala fide act of the

defendants. Hence, these points are answered accordingly.

22. For the reasons stated above, Original Applications 579 and 580 of 1999 are allowed and the interim injunction already granted is made absolute. Consequently, Applications No. 3446 to 3449 of 2000 are dismissed.

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