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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 3rd April, 2019

Date of decision: 16th April, 2019

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CS (COMM) 110/2019

BATA INDIA LIMITED

..... Plaintiff

Through: Mr. Neeraj Grover, Mr. Anmol
Chadha and Ms. Rudrarti Kaur,
Advocates.

versus

CHAWLA BOOT HOUSE & ANR

..... Defendants

Through: Mr. S.K. Bansal, Mr. Pankaj Kumar
and Mr. Somnath, Advocates (M:
8860987189).

CORAM:

JUSTICE PRATHIBA M. SINGH
JUDGMENT

Prathiba M. Singh, J.

**I.A. 3051/2019 (u/Order XXXIX Rules 1 and 2 CPC) and I.A. 3686/2019
(u/Order XXXIX Rule 4 CPC)**

1. The present order disposes of two applications being under Order XXXIX Rule 1 and 2 CPC and under Order XXXIX Rule 4 CPC.
2. The Plaintiff – Bata India Limited (*hereinafter ‘Plaintiff’*) has filed the present suit seeking an injunction restraining infringement of trademark, passing off, unfair competition, damages, etc. The facts as essential for the present order are narrated below.

Plaintiff’s case

3. The Plaintiff is a well-known manufacturer and seller of footwear. It

was incorporated in 1931 in the name of its predecessor – Bata Shoe Company Private Limited. In the year 1973, it became a Public Limited Company, and changed its name to M/S Bata India Ltd. It adopted the mark ‘POWER’ for footwear in the early 1970s and the same has been in continuous use for almost 50 years. The ‘POWER’ brand is registered in favour of the Plaintiff, both in word form and logo form and as a combination with other marks. The ‘POWER’ range of footwear of ‘BATA’ have been promoted by well-known sporting personalities such as Mr. Kapil Dev, Mr. Sachin Tendulkar and Ms. Smriti Mandana (Player of Indian National Women’s Cricket Team). The sales figures of the footwear under the mark ‘POWER’ for the last ten years have been mentioned in paragraph 11 of the plaint. In the year 2018, the annual sales of ‘POWER’ branded shoes has been over Rs.480 crores and the publicity expenses are in the range of Rs.77 crores. The sales for the last decade itself show that ‘POWER’ branded footwear of more than Rs.2500 crores has been sold in India and the expenses on publicity are nearly Rs.300 crores for the last decade.

4. The claim of the Plaintiff is that it came across a trademark application filed by Defendant No.2 – Leayan Global Pvt. Ltd. (*hereinafter, ‘Defendant No.2’*) for the mark ‘POWER FLEX’ in respect of footwear. The same was opposed by the Plaintiff. When Defendant No.2 filed its evidence in support of the opposition, it contained invoices and some advertisements, which showed that Defendant No.2 was using the mark ‘POWER FLEX’. Further, the Plaintiff also came across an application for the tagline ‘THE POWER OF REAL LEATHER’, which was also opposed. Since Defendant No.2 claimed actual use of the mark, the Plaintiff claims to have obtained a

sample of the Defendant No.2's product and filed the present suit. The allegation of the Plaintiff is that the Defendant No.2's use of the mark 'POWER FLEX' and 'THE POWER OF REAL LEATHER' is a violation of its statutory and common law rights.

5. When the suit was listed before this Court on 27th February, 2019, the following order was passed:

"I.A. 3051/2019 (u/O XXXIX Rules 1 and 2 CPC)

8. *The Plaintiff – Bata India Limited has filed the present suit seeking injunction restraining infringement of registered trademark and passing off, damages and delivery up in respect of its trademark 'POWER' used for footwear and other allied products. The case of the Plaintiff is that it adopted the mark 'POWER' in 1971 for footwear and has since been using the same exclusively and extensively. The sales and advertising figures for the mark have been placed in para 11, which shows that the sales in the last calendar year was approximately Rs.480 crores. The mark 'POWER' has been used extensively by the Plaintiff, who has several brand ambassadors who have promoted the mark.*

9. *The grievance of the Plaintiff in the present suit is that the Defendants have adopted the mark 'POWER FLEX' and the slogan 'THE POWER OF REAL LEATHER' for footwear. It is submitted that the Plaintiff owns several registrations for the mark 'POWER' both in logo and in word form as also in various derivatives, the oldest of these dating back to 1988. Accordingly, Mr. Neeraj Grover, Ld. counsel appearing for the Plaintiff submits that the use of the mark 'POWER FLEX' and the slogan 'THE POWER OF REAL LEATHER' violates the Plaintiff's right in the mark 'POWER'.*

10. *The Court has perused the documents on record. It is clear that Defendants have adopted the*

*mark 'POWER FLEX' and the slogan 'THE POWER OF REAL LEATHER' in respect of footwear. Though, the word 'POWER' is a dictionary word, the use by the Plaintiff since 1971 and the sales turnover shows, *prima facie*, that the mark is identified with the Plaintiff. The Defendants had applied for trademark registration of the mark 'POWER FLEX' in 2009 on a proposed to be used basis, and the same was opposed by the Plaintiff. The counter statement filed by the Defendant shows that the earliest invoice of the Defendants is in 2017, though user is claimed from 2009. The Defendants have adopted the mark being fully conscious of the Plaintiff's rights. The opposition filed by the Plaintiff also shows that it has been diligent in protecting the mark. The Plaintiff has been granted protection in an earlier matter wherein an interim injunction has been granted restraining the use of the mark POWER by a third party. Accordingly, till the next date, the Defendants are restrained from using the word 'POWER' in respect of footwear either solitarily or in combination with any word. However, insofar as the expression 'THE POWER OF REAL LEATHER' is concerned, it appears to be used as a tagline in respect of the Defendants' products. The prayer for injunction in respect of the said tagline/slogan would be considered after summons and notices are issued to the Defendants. It is however directed that in the said tagline, no undue prominence shall be given to the word 'POWER' till the application is heard finally. Compliance of Order 39 Rule 3 CPC within one week, after execution of the local commission.*

11. If the Defendants wish to seek permission for disposal of existing stocks, they are permitted to move the Court."

6. The Defendant No.2 moved an application under Order XXXIX Rule 4 CPC where a prayer was made for permission to dispose of the existing

stock. This application was disposed of on 27th March, 2019 in the following terms:

“5. The Defendants were given liberty to move an application for disposal of any existing stock. Since this was stock which was already manufactured by the Defendants, prior to the grant of injunction on 27th February, 2019, the Defendant is permitted to dispose of the stock as mentioned in the statements subject to the following conditions:

- (i) The Defendants are directed to file monthly statement of disposal of the said stock;*
- (ii) Defendants shall file an affidavit in respect of the value of the said stock which is disposed of;*
- (iii) No fresh manufacturing is permitted with the impugned marks.*

6. The permission to dispose of the stock is subject to further orders in the interim injunction application which is listed for hearing on 3rd April 2019.”

7. Thereafter, the matter was heard on merits in the injunction application and the application for vacation of injunction.

Defendant No.2's Case

8. Defendant No.2 in its written statement has raised various objections.:
- i. That the Plaintiff, in its reply to the examination report for registration of its various ‘POWER’ derivative marks has itself claimed that the mark ‘POWER’ and similar marks such as ‘POWERGUN’, ‘POWER LABEL’, etc. are “visually, structurally and conceptually” different. Hence, the Plaintiff itself having admitted that other ‘POWER’ derivative marks are different, cannot today plead to the contrary.
 - ii. The second ground of Defendant No.2 for resisting the

injunction is that Defendant No.2 is a well-known company which sells footwear under the mark '*RED CHIEF*' and has been in business since 1995. Its annual sales for the last financial year was more than Rs.250 crores.

- iii. The word '*POWER*' is laudatory and is a dictionary word, which is incapable of being exclusively monopolised by any one party. Various applications for trademark registrations are relied upon for various registered trademarks and applications for trademarks with the word '*POWER*' in respect of footwear.
- iv. The suit is grossly delayed as Defendant No.2 had started use of the mark '*POWER FLEX*' since 2010-11. It has used Mr. Virat Kohli as its brand ambassador.
- v. The mark '*POWER FLEX*' has not been used as a trademark in isolation but always with the mark '*RED CHIEF*'. Hence, there is no chance of confusion with the Plaintiff's mark.
- vi. That Defendant No.2 comes from a very well-known FMCG group, which sells '*GHARI*' detergent, having sales turnover of US Dollars 750 million.
- vii. That Defendant No.2's mark '*RED CHIEF*' is very well-known, which does online sales as also sales from 135 exclusive stores across the country.
- viii. That there is no chance of confusion as the Plaintiff's mark '*POWER*' is used for sporting footwear, whereas the Defendant No.2's mark '*POWER FLEX*' is used for leather footwear.

Submission of Ld. Counsels

- 9. Mr. Neeraj Grover, Ld. counsel appearing for the Plaintiff has

reiterated that the word ‘POWER’ is registered not just for footwear but also in respect of leather goods. It has already been granted protection by this Court in another proceedings being CS(COMM) 1117/2016 where the Defendant was using the mark ‘POWER’ for footwear. Further, sales of the Plaintiff’s footwear under the mark ‘POWER’ is approximately Rs.450 crores and constitute almost 20% of the total sales of the Plaintiff company which is in the range of Rs.2,600 crores. The Plaintiff has been extremely vigilant about its rights and has filed several oppositions against trademarks which are containing the word ‘POWER’ or derivatives of the ‘POWER’ mark. It is further submitted that ‘POWER FLEX’ is being used by the Defendant No.2 independently and not in conjunction with ‘RED CHIEF’.

10. Photographs of the Defendant No.2’s products have been shown to the Court. According to the Plaintiff, the cause of action for filing the suit arose only when the Defendant No.2 filed the evidence of the use of the mark in the opposition proceedings before the trademark Registry. In fact, the Plaintiff had no knowledge of the Defendant No.2’s use of the mark before that. On delay, Mr. Grover submits that the Plaintiff has always been vigilant and there was no reason for it not to take action against the Defendants if the use of the mark ‘POWER FLEX’ by Defendant No.2 had come to its knowledge. It is further submitted that the Defendant No.2 having itself applied for registration of the mark ‘POWER FLEX’, is estopped from arguing that the mark ‘POWER’ is descriptive or laudatory or a dictionary word. He relies on the following cases:

- ***Automatic Electric Limited v. R. K. Dhawan & Ors. 77 (1999) DLT 292;***
- ***Pankaj Goel v. Dabur India Ltd. 2008 (38) PTC 49 (Del)***

(hereinafter, 'Pankaj Goel');

- ***South India Beverages Pvt. Ltd. v. General Mills Marketing Inc. 2015 (61) PTC 231 (Del);***
- ***H&M Hennes & Mauritz AB and Ors. V. HM Megabrand Pvt Ltd 2018 (74) PTC 229 (Del);***
- ***QRG Enterprises & Anr v. Surendra Electricals & Ors. 2005 (30) PTC 471 (Del);***
- ***Radico Khaitan Ltd. v. Devans Modern Breweries Ltd. [CS(COMM) 724/2018 decision dated 11th February, 2019];***
- ***Ansul Industries v. Shiva Tobacco Company 2007 (34) PTC 392 (Del);***
- ***The Timken Company v. Timken Services Private Ltd. 2013 (55) PTC 568 (Del);***
- ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories AIR 1965 SC 980***

11. On the other hand, Mr. S.K. Bansal, Ld. counsel appearing for the Defendants submits that he has a three-fold defence:

- i) Honest and concurrent adoption in 2009 of the mark 'POWER FLEX' and continuous use since 2011;
- ii) Open and extensive use bars the grant of interim relief;
- iii) The admissions by the Plaintiff, especially in the Trademark Registry, ought to be construed against it, and thus averments to the contrary ought not to be entertained.

12. It is vehemently contended that the Plaintiff's stand that it acquired knowledge only in 2018 is completely false. Open use by the Defendants

from 2014 and promotion by well-known cricketing personalities like Mr. Virat Kohli could not have been ignored by the Plaintiff. Regular advertisements of Defendant No.2's product are being telecasted on television. Even airline inflight magazines have advertisements of the Defendant No.2's product. Further, advertisements by Defendant No.2 have been published in major newspapers such as '*Amar Ujala*', which could not have been ignored. He relies on various documents placed on record by the Defendant No.2 in support of his submissions. Emphasis is placed on the replies filed by the Plaintiff to the examination report before the Trademark Registry. It is further contended that the Plaintiff's plea of acquiring knowledge of the Defendant No.2's use of the mark '*POWER FLEX*', only in 2018 is dishonest and was made with a view to mislead the Court at the time of obtaining *ex-parte* injunction. Defendant No.2 relies on the following judgments:

- ***Mankind Pharma Ltd. v. Chandra Mani Tiwari & Anr. 2018 (75) PTC 8 (Del);***
- ***S.K. Sachdeva & Anr. v. Shri Educare Limited & Anr. 2016 (65) PTC 614 (Del) (DB);***
- ***Jain Rubber Industries v. Crown Pvt. Ltd. & Ors. [Suit No.1919/87 decision dates 14th January, 1988];***
- ***Shri Gopal Engg. & Chemical Works v. M/s POMX Laboratory AIR 1992 Del 302;***
- ***Micolube India Ltd. v. Maggon Auto Centre & Anr. 2008 (36) PTC 231 (Del) (hereinafter, 'Micolube India SJ')***

13. In conclusion, Mr. Bansal submits that his client is willing to give an undertaking that it will only deal in leather footwear with the mark '*POWER*

FLEX' and will always use the mark '*POWER FLEX*' with the mark '*RED CHIEF*' in a composite manner and no special prominence would be given to the word '*POWER*' in the advertisement.

14. Mr. Grover, in rejoinder, submits that the judgment in *Pankaj Goel (supra)* completely settles the law in respect of delay. Moreover, the Defendant No.2's advertisements are for various variants of the '*RED CHIEF*' brand. The total annual turnover of the Defendant No.2 is itself Rs.257 crores, out of which, a substantial sale is by way of manufacturing of leather goods for third parties. There is no mention of the actual sales of the '*POWER FLEX*' branded shoes. Further, the user of Defendant No.2 appears to have been very minimal initially, but recently Defendant No.2 has started expanding. Most of the advertisements relied upon are for the mark '*RED CHIEF*' or '*FURO*'. It is further submitted that Mr. Virat Kohli, who is now a celebrated cricketer, was not so prominent at the time of the release of these advertisements by Defendant No.2. Finally, Mr. Grover emphasizes on the fact that Defendant No.2 was obviously well aware of the Plaintiff's mark '*POWER*' and in such cases, the mark and the class of goods being identical, confusion should be presumed.

Analysis and Findings

15. At the outset, this Court notices the fact that Defendant No.1 which has been impleaded in the present suit is a shopkeeper called - Chawla Boot House, based out of Gandhi Nagar, Delhi. The main Defendant is 'Leayan Global Pvt. Ltd.' which is Defendant No.2. This is a practice usually adopted in order to avoid detection in the cause list. A Ld. Single Judge of this Court in *Micolube India SJ (supra)* has shunned such a practice by

observing as under:

"25. Another factor which goes against the plaintiff is the manner in which the parties have been arrayed. The defendant No. 2 is the main defendant who has the registration of the well known mark 'MICO' in respect of automotive parts. However, the plaintiff has chosen to array Maggon Auto Centre as the main defendant when, according to the averments made in paragraph 17 of the plaint, it is averred that the defendant No. 1 is only a dealer of the impugned goods of the defendant No. 2 and that the exact relationship between them is not known to the plaintiff and that the defendant No. 2 is called upon to disclose the exact relationship between them. It is unfortunate that the main defendant (Motor Industries Co. Ltd.) has been arrayed as defendant No. 2 and Maggon Auto Centre, who is alleged to be a dealer of the main defendant and whose exact relationship is unknown to the plaintiff is arrayed as defendant No. 1. It is not only in this case, but in several other cases that this Court has noticed this unhealthy trend on the part of the plaintiffs to array the main defendant as defendant No. 2 or defendant No. 3 while naming some innocuous dealer or retail outlet as defendant No. 1. The object is easily discernible. When the counsel for the main defendants scan the list of cases, they would not be able to know as to whether any case has been filed against them so as to enable them to appear on the very first date on which the case is listed before court. The very fact that the plaintiff has also indulged in this practice is also an indicator that it did not want the counsel for the defendant No. 2 to appear on the first date on which the matter was taken up for consideration of the grant or non-grant of ad interim injunction. This fact also disentitles the plaintiff to any equitable relief. I am of the view that the plaintiff has concealed and suppressed material facts from this Court."

The Ld. Division Bench has upheld this view in ***Micolube India Ltd. v. Maggon Auto Centre 2008 (38) PTC 271 (Del).***

16. It is noticed that, despite this being the settled legal position, in most cases, an unknown Defendant or an employee or Director is impleaded as the first Defendant to avoid detection in the cause list. Such a practice having been held to be impermissible by the Division Bench, the same cannot be permitted to continue in any manner. Defendant No.1 is only a retailer, like the other hundreds of retailers of Defendant No.2 across the country. Defendant No.1 is accordingly deleted from the array of parties. Registry is directed to ensure strict compliance of the judgment in the ***Micolube India SJ (supra)*** cited above and seek an undertaking of the Plaintiff in IPR cases where there are multiple Defendants that the Defendant No.1 being arrayed is the main contesting Defendant in the suit.

Findings on Merits

17. The Court at the interim stage has to take merely a *prima facie* view of the matter, on the basis of the documents on record. The Plaintiff has placed on record several trademark registrations for the mark ‘POWER’ and ‘POWER’ derivative marks. While some of the ‘POWER’ marks of the Plaintiff have not been renewed and have been abandoned, a large number of ‘POWER’ marks are still in operation and are valid. At the interim stage, the Court is not to go into dissection and analysis of each registration. Broadly, the list of trademark registrations contained in para 9 of the plaint shows that the earliest registration dates back to 1971 for the mark ‘POWER’ – with the arrow logo and the mark ‘BATA’. The standalone ‘POWER’ mark registration for the device and the word, in respect of

footwear, dates back to 1975. Though, these marks may have lapsed due to non-renewal and abandonment, etc., the evidentiary value of the same cannot be ignored. They, at the very least, show adoption of the mark ‘POWER’ and ‘POWER’ derivative marks by the Plaintiff since 1971 i.e., 48 years ago. Subsequent registrations of the mark ‘POWER’ show that the word ‘POWER’ is registered as a word mark, as a device mark, as a combination mark and in various derivative forms such as ‘POWER SPORTS’, ‘POWER POINTS’, ‘POWER ULTIMO’, ‘POWER FOOTBED’, ‘POWER SPORTS FOOTWEAR’, ‘POWER TUNNEL SYSTEM’, ‘POWER BODYLINE’, etc. This shows that the mark ‘POWER’ is not only being used in isolation, but in conjunction with several words, depending on the business and commercial needs of the Plaintiff. A perusal of the documents filed by the Plaintiff also show the following:

- a) That several oppositions have been filed by the Plaintiff to protect the mark ‘POWER’;
- b) The oldest invoice on record is dated 29th September, 1988 for footwear under the ‘POWER’ mark;
- c) The annual report of the Plaintiff company for the years 2017-18 in respect of marks ‘POWER’ reads as under:

For decades, Bata was synonymous with quality and comfort. Now, the legendary shoe brand has been bestowed with one more accolade - Stylishly Ahead.

The game-changing styles, the hottest fashion trends and a matchless craftsmanship to boast of, the new age Bata has it all. And this is being reflected in the awe and admiration of its consumers; old and new.

To drive home this cool new image, Bata has teamed up with India's young style icons - Smriti Mandhana, the opener of the Indian Women's Cricket Team, as

the brand ambassador for its iconic sports/fitness brand 'Power', and Kriti Sanon, the Bollywood diva, as the new face of the brand, reaching out to modern Indian women. On the back of this momentum, the Company opened many new stores and took its much loved articles to stores In Tier-II and Tier-III towns across the country. At the same time, Bata India took inspiration from the brand's global retail concept, launching its internationally conceptualized 'Red Angela Store Concept' in Kolkata and Delhi. Bata also made its presence felt in the Milan Fashion Weekend, attracting fashion enthusiasts, influencers and ambassadors from all over the world.

Bata has transformed itself into a vibrant and modish lifestyle brand, successfully adding onto its beloved legacy. But the journey never ends, only the destination changes. So, it's time to head towards the next part of this journey. It's time to step ahead and stay ahead.”

- d) The various advertisements dating back to 1980's are on record which show use of the mark 'POWER' in association with the Indian Cricket Team. One such story reads 'Cricket Stars in Power Galaxy'. The arrow logo is called the 'POWER FLASH'. An exclusive window with the 'POWER' branded footwear is also depicted that cricketers like Mr. Kapil Dev and Mr. Sachin Tendulkar, have used the word 'POWER' on their bats;
- e) 'BATA' has also used various taglines and slogans and derivative words such as 'FIND YOUR POWER', 'POWER IN WALK', 'CHALO INDIA MAKE POWER WALK';
- f) 'POWER' branded shoes are sold for various sports including cricket, football and tennis;

- g) The '*POWER*' mark has been positioned as the international sports wear brand of the Plaintiff and some of the shoes are claimed to be designed in Canada. There are various stores which sell only '*POWER*' branded footwear. The first such store was launched in March, 2018
 - h) The endorsement agreements with various celebrities have also been placed on record.
 - i) Invoices showing advertisements on television have also been filed;
 - j) Oppositions have been filed against marks such as '*CASH IS POWER*', '*E-POWER*', '*FULL POWER*', '*POWER CELL*', '*POWER OF ROAD*', '*POWER GOLD*', '*POWER STRAP*', '*SINE POWER*', '*POWER PULSE*', '*POWER POINT*', etc. Two of these marks were applied for by SKETCHERS USA and PUMA.
18. On the other hand, a perusal of Defendant No.2's documents show that the name/trademark of Defendant No.2 is '*RED CHIEF*'. However, within the inside of the shoe, the mark '*POWER FLEX*' is used on a standalone basis. The stores of Defendant No.2 are exclusive '*RED CHIEF*' stores. The endorsement by Mr. Virat Kohli of the '*RED CHIEF*' branded products is dated 2nd February, 2011, and shows that it is not an endorsement of '*POWER FLEX*' branded products. There are some advertisements which depict the tagline '*THE POWER OF REAL LEATHER*' with Mr. Virat Kohli. The advertisements in the various inflight magazines relate to '*FURO*' and in some advertisements, the tagline '*THE POWER OF REAL LEATHER*' is used. There is no advertisement in an inflight magazine for '*POWER FLEX*' branded products. The best documents of Defendant No.2 are the advertisements in *AMAR UJALA* where the mark '*POWER FLEX*' is

used with the tagline ‘*THE POWER OF REAL LEATHER*’ in 2011-12. The list of pending trademark applications using the word ‘*POWER*’ in class 25 shows that apart from the word ‘*POWER RANGERS*’, that there are several other registered trademarks and pending applications containing the word ‘*POWER*’, some in a prominent manner and some in a not so prominent manner. However, there is not a single footwear product sample or photograph or advertisement with the word ‘*POWER*’ filed by Defendant No.2 to show third party use. The primary reliance by Defendant No.2 is on the admissions by the Plaintiff in the Trademark Registry.

19. A perusal of the documents and pleadings show that the Plaintiff’s use of the mark ‘*POWER*’ is indisputably prior to that of Defendant No.2, by at least four decades. The ‘*POWER*’ range of products, along with the use of the ‘*POWER FLASH*’ device have established a reputation in the market, owing to the extensive use, advertising and celebrity endorsements. The ‘*POWER*’ mark has a sales turnover of approximately Rs.500 crores a year with a large advertising/publicity budget.

20. On the other hand, the use of the mark ‘*POWER FLEX*’ by the Defendant No.2 is sketchy. The sales turnover of ‘*POWER FLEX*’ range products has not been given in the written statement. Barring the six or seven advertisements in *AMAR UJALA*, there is no other major publicity to the mark ‘*POWER FLEX*’. The celebrity endorsements of Mr. Virat Kohli is also for ‘*RED CHIEF*’ products. The argument that ‘*POWER FLEX*’ is being used only with ‘*RED CHIEF*’ is also not correct. Though, the mark ‘*POWER FLEX*’ is not shown on the box of the product, it is separately printed in the inside sole of the shoe without the trademark ‘*RED CHIEF*’.

21. The clear impression that the Court gets while looking at the

documents of Defendant No. 2 is that it is adopting a clever, tactical and a 'camel-in-the-tent' approach and slowly attempting to expand the mark 'POWER' in respect of its footwear. The Plaintiff's 'POWER' brand is on the other hand, a brand that is being used prominently and extensively for almost five decades. In *Pankaj Goel (supra)*, a Division Bench of this Court held as under:

"12. As far as back to back advertisement of Appellant and Respondent/plaintiff products are concerned, the Respondent/plaintiff stated that there are 419 TV channels on which 34,27,000 TV commercials are telecast each month. It was pointed out that Respondent/plaintiff itself had 450 products out of which 72 products are exclusively advertised on 129 TV channels. According to Respondent/plaintiff there are 20,000 TV ads in a month of Respondent/plaintiff itself on 129 TV channels and therefore, it was not possible for any company, including the Respondent/plaintiff, to monitor TV commercials on all the TV channels. Consequently, it was contended that no knowledge can be attributed to the Respondent/plaintiff of any TV commercial of the Appellant. In this connection the Respondent/plaintiff relied upon a judgment/order of this Court in Automatic Electric Limited v. R.K. Dhawan reported in 1999 PTC (19) 81.

.....

24. In the present case we also do not find that Respondent/plaintiff's suit is either barred by delay or laches or acquiescence. In fact, from the documents on record, specially at pages 217, 352 and 361 in Paper Book, we find that the Appellant's sales under the mark RASMOLA till the year 2004 were rather insignificant. Even in the cause of action paragraph the Respondent/plaintiff has averred that though it had filed a notice of opposition dated 25th July, 2007, yet it

did not find the Appellant's goods in the market till the first week of December 2007. Consequently, at this stage we cannot draw the inference that the present suit is barred by delay or laches. In any event, passing off is a recurring cause of action and delay being a defence in equity would not be available if the Defendant's conduct is fraudulent - as is in the present case. Consequently in the present facts, delay and so called concurrent use, if any, cannot be a ground for refusing interim injunction."

22. Defendant No.2's main brand is 'RED CHIEF' and not 'POWER' or 'POWER FLEX'. It has a range of other marks which it uses for its footwear and 'POWER FLEX' does not define the Defendant No.2's product range. The distinction sought to be drawn between sporting footwear and leather footwear, is no distinction in the eyes of law. This is so because the manufacturer of a product is entitled to a reasonable scope for expansion. The Supreme Court in *Laxmikant V. Patel v. Chetanbhai Shah and Anr.* (2002) 3 SCC 65 held as under:

"8. It is common in trade and business for a trader or a businessman to adopt a name and/or mark under which he would carry on his trade or business. According to Kerly (Law of Trade Marks and Trade Names, 12th Edn., para 16.49), the name under which a business traders will almost always be a trade mark (or if the business provides services, a service mark, or both). Independently of questions of trade or service mark, however, the name of a business (a trading business or any other) will normally have attached to it a goodwill that the courts will protect. An action for passing-off will then lie wherever the defendant company's name, or its intended name, is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses.

If this is not made out there is not case. The ground is not to be limited to the date of the proceedings; the court will have regard to the way in which the business may be carried on in the future, and to its not being carried on precisely as carried on at the date of the proceedings. Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.”

23. After using the mark ‘POWER’ for almost 48 years, it cannot be said that the Plaintiff does not have a reasonable expectation of expansion into leather goods. Moreover, permitting the Defendant No.2 to use the mark ‘POWER FLEX’ today would also create a reasonable promise for Defendant No.2 to expand the use of the mark ‘POWER FLEX’ in the sporting footwear. Thus, dissection of the product range, cannot be made so minutely i.e. sporting footwear versus leather footwear. Broadly these products fall under the class of footwear. It is a known fact that footwear brands usually use their brands for accessories/clothing like T-shirts, shorts, socks, belts, wallets, etc. Thus, in modern day usage, the brand is always evolving and the product category cannot be cast in stone.

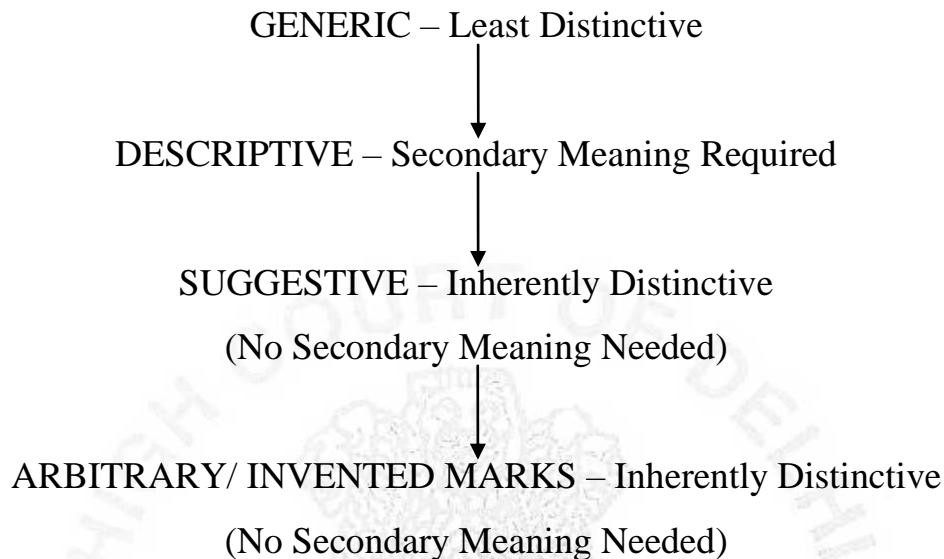
24. Moreover, while adopting the mark ‘POWER FLEX’, it cannot even remotely be believed that Defendant No.2 was unaware of the Plaintiff’s brand. The presence of the Plaintiff’s ‘POWER’ brand of footwear is quite prominent and conspicuous. Defendant No.2 could have simply done a search of the Trademark Registry, which would have revealed at least 25 marks of the Plaintiff with the mark ‘POWER’. The adoption by Defendant No.2 of the mark ‘POWER FLEX’, in such a situation, could be termed as fraught with risk owing to the high standing of the ‘POWER’ mark of the Plaintiff.

25. Moreover, Defendant No.2 has itself applied for registration of the mark ‘POWER FLEX’ in the year 2009 and is completely estopped from arguing that the word ‘POWER’ is laudatory or a dictionary word and cannot be monopolised. This is the settled position as per *Procter and Gamble Manufacturing (Tiajin) Co. Ltd. & Ors. v. Anchor Health & Beauty Care Pvt. Ltd.* (2014) 211 DLT 466 (DB) which followed *Indian Hotels Company Ltd. v. Jiva Institute of Vedic Science & Culture* 2008 (37) PTC 468 (Del) and *Automatic Electric Ltd. v. R.K. Dhawan* 1999 (19) PTC 81. The relevant observations of the Ld. Division Bench are set out below:

“(xix) As far as the contention, of Automatic Electric Ltd. (supra) having stood overruled by Marico Limited (supra) is concerned, we have perused Indian Hotels Company Ltd.(supra) and are unable to agree that the reference therein to Automatic Electric Ltd. is without affirming the same. It was the contention in Indian Hotels Company Ltd. also that the word “JIVA” therein was a descriptive word which could not be protected as a trade mark. The Division Bench however negated the said argument by holding that the appellant therein having itself applied for registration of “JIVA” as a trade mark, could not argue that the mark was descriptive. Reference to Automatic Electric Ltd. was made in support of the said reasoning. Unfortunately, neither Automatic Electric Ltd. nor Indian Hotels Company Ltd. were noticed in the subsequent judgment of the Division Bench in Marico Limited. We, at this interim stage are inclined to go along with the affirmation by the Division Bench in Indian Hotels Company Ltd. with the view in Automatic Electric Ltd.”

26. The spectrum of distinctiveness of marks clearly explains how

distinctiveness of marks is to be judged. The spectrum as explained in McCarthy on 'Trade Marks and Unfair Competition'¹, can be illustratively depicted as below:



27. Even if one considers the nature of the mark '*POWER*', it cannot be held to be a descriptive mark. As the well-known author Mr. J. Thomas McCarthy, in the treatise on 'Trademarks and Unfair Competition'², opines, the question as to whether the mark is descriptive or suggestive, can be based on the following tests:

- a) Degree of imagination required to connect the mark with the product; and
- b) The competitor's need to use the mark.

28. In the present case, the mere mention of the word '*POWER*' does not direct any one immediately to shoes or to footwear. The imagination could at best lead to products related to electricity, batteries or related products. It

¹ J. Thomas McCarthy, "McCarthy on Trademarks and Unfair Competition", Vol.2, Thomson West, 2003, §11:1

² J. Thomas McCarthy, "McCarthy on Trademarks and Unfair Competition", Vol.2, Thomson West, 2003, §11:67 & §11.69

could also lead to other various other connotations. It requires a '*leap of mind*' to connect the word '*POWER*' with footwear. The connection is not automatic or immediate. The dictionary meaning of the word *POWER*, as per the Shorter Oxford English Dictionary³ is:

- "I 1. Ability (to do), capacity (of doing, to do); an active property or principle. ME. b A particular mental or physical faculty, capacity, or ability.*
- 2. (Possession of) control or authority over other: dominance: government, command; personal, social, or political influence or ascendancy. ME. b (With specifying word.) A movement to enhance the status or influence of a specified group, lifestyle, etc.*
- 3. Ability to act or affect something strongly: strength, might: vigour, energy, effectiveness.*
- 4. Legal authority to act for another, esp. in a particular capacity: delegated authority: authorization: an instance of this."*

29. '*POWER*', could at best be termed as a '*SUGGESTIVE*' mark for footwear, which would make it an inherently distinctive mark. In the context of footwear, it would at best be considered as a laudatory epithet. It is not immediately connectable to footwear. Even if one applies the competitors' need test, Defendant No.2 has not shown a single footwear product using the word '*POWER*'. Though, some pending applications have been shown, it is a well-known fact that mere filing of applications or registering marks does not create any goodwill and also does not imply any use of the mark. The Plaintiff has been taking action against the marks which it considers conflicting to its interest, vigilantly.

30. By applying the above two tests, the word '*POWER*' is held to be a

³ Shorter Oxford English Dictionary, Volume 2, 5th Edn., 2003, page 2307.

distinctive mark in respect of footwear. In *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F. 2d 366, 188 U.S.P.Q. 623 (7th Cir. 1976) the Court applied the ‘*intuitive nature basis*’, rather than a logical analysis, as the basis for deciding as to whether a mark is descriptive or suggestive. While descriptive marks can acquire a secondary meaning and attain the status of a trademark, suggestive marks are inherently distinctive marks. This Court, therefore, holds that in every case where the defence of non-distinctiveness of marks is raised, the Court after analysing the evidence on record has to finally apply its own *intuitive perception* and there can be no objective formula to determine descriptiveness.

31. On the basis of the above, this Court has no hesitation in coming to the conclusion that the mark ‘POWER’ is exclusively associated with the Plaintiff’s brand of footwear. The use of the said mark, either in combination with other words or in isolated manner in respect of footwear, accessories and clothing, etc., violates the statutory and common law rights of the Plaintiff.

32. However, the Court is also conscious of the fact that Defendant No.2’s use in the last 4-5 years, has not been as restricted as the Plaintiff made it out to be in the plaint. The documents which have been filed by Defendant No.2 do show that Defendant No.2 has had at least some years of use even though not very prominent, prior to the filing of the present suit. The Plaintiff’s stand that Defendant No.2’s usage came to its knowledge only through the evidence in the opposition proceedings, seems a bit far-fetched when seen in the context of the documents placed on record by Defendant No.2. While holding that the Plaintiff is entitled to grant of interim injunction, Defendant No.2 is permitted to exhaust the entire stock

of ‘POWER FLEX’ branded goods, available with it. The Defendant has placed on record a stock statement which shows the following stock:

“STOCK POSITION OF FOOTWEAR UNDER
“REDCHIEF POWERFLEX” TRADEMARK AS ON
13.03.2019 AT EXCLUSIVE STORES &
WAREHOUSE OF THE COMPANY ALSO IN
TRANSIT

| | |
|--|-------------------------------------|
| 1) IN WAREHOUSE AND EXCLUSIVE STORE | :384185 PAIRS (sic. 38415 pairs) |
| 2) IN TRANSIT | :1805 PAIRS” |

33. Vide order dated 27th March, 2019, this Court had already permitted the Defendant to sell the existing stock, subject to certain conditions. The said conditions are again reiterated in this order.

34. Further, while Defendant No.2 would not be permitted to use the mark ‘POWER FLEX’ as a trademark, the English language use of the word ‘POWER’ as part of an advertising slogan or as in tagline ‘THE POWER OF REAL LEATHER’ cannot be injunctioned. The case laws cited by both the sides are well settled. The analysis at the interim stage is primarily on facts, as judgments have been cited on both sides which lay down settled positions of law. Thus, the two applications are disposed of with the following directions:

- a) Defendant No.2 is restrained from using the mark/word ‘POWER’ in respect of footwear, clothing and accessories and other related products including the mark ‘POWER FLEX’ or any other mark containing the word ‘POWER’ or a combination thereof;
- b) The use of the tagline ‘THE POWER OF REAL LEATHER’ as part of an advertising slogan or a tagline is permitted, however, no

undue prominence shall be given to the word ‘POWER’;

c) The existing stock of products as mentioned in para 32 above is permitted to be sold by filing a monthly statement of disposal, including the value of the stock so sold, subject to the final adjudication in the suit.

35. Both the I.As are disposed of in the above terms.

36. A copy of this order be given to the Registry for compliance of directions given in paragraph 16 above.

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37. List on the dates already fixed, i.e., 29th April, 2019 before the Joint Registrar, and 7th May, 2019 before Court.

**PRATHIBA M. SINGH
JUDGE**

APRIL 16, 2019

Rahul

प्रथिबा म. सिंह
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